



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

EXPRO El Salvador
Programa de Promoción de Exportaciones
para las Micro, Pequeñas y Medianas Empresas

OPERATIONS MANUAL FOR EXPRO-CENTROMYPE TECHNICAL FUND

NOTA: San Salvador 7 de Julio de 2005. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza. Este documento es propietario únicamente de quien lo organiza.

Export Promotion for Micro, Small and Medium Enterprises El Salvador (USAID/EXPRO)

Contract No.: PCE-I-00-98-00016-00 T/O 833

Project Period: July 2003 – March 2006

USAID Mission: USAID El Salvador Office of Economic Growth

Project Contractor: Nathan Associates Inc.

Project Summary: USAID/EXPRO aims to reactivate the economy of El Salvador by increasing income generated from exports of micro, small, and medium enterprises (MSMEs). Project objectives include (1) strengthening the Ministry of Economy's institutional export and trade policy capacity; (2) improving access to trade and export information; (3) increasing the competitiveness of Salvadoran businesses; (4) expanding business contracts and sales; (5) strengthening the Salvadoran export services sector; and (6) establishing strategic business alliances. Nathan Associates, in collaboration with AG International, DAI, and JE Austin, is providing technical, commercial assistance, and training to support government and private sector export promotion efforts; improving the productive capacities of MSMEs striving to access international markets; and assisting Salvadoran companies in developing and increasing export sales by at least \$20 million at project completion on March 31, 2006. USAID/EXPRO is also providing technical assistance and training to make export promotion initiatives more effective and to improve product development, operational efficiency, business development services, and the production scale of Salvadoran MSMEs so they can enter international markets, enjoy market continuity, maximize profitability, and face less risk of failure.

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EXPRO
EL SALVADOR

Export Promotion for Micro,
Small and Medium Enterprises

Programa de Promoción de Exportaciones
para la Micro, Pequeña y Medianas Empresas

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NATHAN
ASSOCIATES INC



OPERATIONS MANUAL
EXPRO-CENTROMYPE
(With Amendment January 12th 2004)

FOR THE EXPORT PROMOTION PROGRAM
FOR MICRO AND SMALL ENTERPRISES

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I. BACKGROUND

According to the Ministry of Economy (MINEC) statistics, micro, small and medium sized businesses (MSME's) of El Salvador represent most of the country's businesses. They contribute the biggest proportion of the Gross National Product, and they generate most of the employment opportunities of the work force. Despite the importance of MSME's for the Salvadorian economy and the important reforms that the Government has executed in the past few years, MSME's capacity to export goods and services is limited. Thus their capacity to generate economic growth and employment is limited.

Elements such as high transaction costs, limited information, lack of market knowledge and export opportunities, lack of standards, poor export infrastructure, and a variety of microeconomic constraints, weaken the ability of the MSME's to compete in the global market. If MSME's could have access to timely information, if they could know about successful export experiences, if they could understand that exporting is feasible and be aware and take advantage of the assistance available to them; their transactions costs would be reduced and a higher number of MSME's would be motivated to export.

In order to respond to the aforementioned MSME's needs, the United States Agency for Development (USAID) is financing a project to be implemented during the period July 14, 2003 to June 30, 2005, denominated Export Promotion Program for the Micro, Small and Medium Sized Enterprises (EXPRO). This project is being implemented by the Nathan Associates and it contains components directed towards the reinforcement of local export promotion efforts, market information access, improvement for MSME's competitiveness, foreign export contracts generation, export and entrepreneurial development services reinforcement, and commercial partnerships generation in order to develop international trade. Local counterpart entities of the EXPRO project include the Ministry of Economy, The Promoting Foundation of the Micro and Small Enterprises Competitiveness (CENTROMYPE), and some support associations and foundations in the private sector.

The EXPRO- CENTROMYPE Fund for micro and small enterprises export promotion is one of the elements through which the project seeks to achieve its objectives. This project is specifically directed towards the micro and small enterprises (up to 50 permanent employees and \$685,704 in annual sales), with an emphasis on the assistance to micro and small sized businesses (MSE's) located in the seven departments of El Salvador that were the most severely affected by the 2001 earthquakes.

The implementation and execution of the EXPRO-CENTROMYPE Fund starts with the EXPRO-CENTROMYPE cooperation agreement. The cooperation agreement defines in a clear way the obligations, resources to be invested, contractual relations and expected results of the cooperation between both institutions.

This Operational Procedures and Policies Manual of the Fund represents one of the main elements of the EXPRO-CENTROMYPE Cooperation Agreement.

II. OPERATIONAL PROCEDURES AND POLICIES OF THE FUND

The following are the detail of the procedures and policies that shall guide the fund's operation. These are presented in chronological order, from the public notification and promotion, to the projects' closure. The flow-chart detailing the funds process is presented on Annex 1.

A. Public Notification and Promotion of the Fund

EXPRO has the obligation of publicly notifying the Export Promotion Fund for MSE's that it shall be managing together with CENTROMYPE. In order to comply with such requirement, EXPRO shall use the APS (Annual Program Statement) tool alternative. EXPRO shall publish this APS on the USAID and EXPRO's Internet Sites as well as in the national newspapers during the month of December 2003.

The exact content of this APS will be agreed upon jointly by both EXPRO and CENTROMYPE. The information shall be presented in such way that the public should be easily and clearly able to determine the necessary requirements and the way to apply to the fund. A copy of the APS format is attached on Annex 2.

The APS publication could be repeated as many times as it is necessary, but it should clearly state that the opportunity to apply to the fund, as long as there are funds available, ends on March 2005.

In addition to the APS the entrepreneurs shall be able to receive information about the fund's existence, as well as on the requirements for application and procedures, through the following means:

1. Television: Use of free TV spaces, such as morning interviews.
2. Call Center: Information shall be provided through the Call Center to all interested companies.
3. Specific invitation: Correspondence promoting the project shall be sent to companies that have export potential, affiliated or not to CENTROMYPE that comply with the eligibility criteria.
4. Meetings. Invitations will be made to micro and small entrepreneurs for them to attend information meetings on the project and Export Window. This will be carried out by CENTROMYPE to support the entrepreneurs during the process;
5. Visits to MSE's support organizations. These visits will be made to institutions working with the sector, with a special emphasis to those that gather entrepreneurs, in order to promote the fund. Moreover the existence of the Export Window will be publicized.

In addition, a promotion initiative to be agreed between EXPRO and CENTROMYPE will be executed so that the highest number of MSE's perceives the fund's benefits. This promotion initiative will be implemented during the funds initial execution and any number of times that it is considered convenient during the funds life.

B. Eligibility Requirements and Enterprises' Qualification to the Fund

1. Eligibility requirements

The businesses eligible for the project will be those micro and small enterprises requiring technical support for the commercialization of their products on the international market and in compliance with the following eligibility requirements:

- a) The payroll cannot exceed 50 permanent employees;
- b) Yearly sales cannot exceed \$ 685,704;
- c) Preferably its main activity located in the departamentos defined by USAID as affected by the 2001 earthquakes (San Vicente, Usulután, Cuscatlán, Sonsonate, Ahuachapan, La Libertad, La Paz) or outside of the Municipality of San Salvador;
- d) Their target export market should be one of the following: i) Central America, Mexico and South America; ii) The United States and Canada; iii) The Caribbean; iv) Europe; v) Japan; The Republic of China and the rest of Asia (it is important to point out that the aforementioned markets are those identified as being a priority; however, this is not an exclusive list and additional markets could be identified during the project's life through a common agreement) Moreover the countries identified by USAID on the ADS 313 are not eligible for the project. These are: Cuba, Iran, Irak, Libia, North Korea and Sudan.
- e) That they are economically active in one or more of the following productive sectors: (it is important to point out that the sectors mentioned here are those identified as being a priority, however, this is not an exclusive list and additional sectors could be identified during the project's life through a common agreement)

Agriculture and food products: Fresh and processed fruits and vegetables, juices and blends of tropical fruits, "typical" or "specially" prepared foods, ecological / social foods, certified seeds; plants.

Manufacturing/ handicraft/ arts: Gifts and domestic decorative articles with original designs, handicrafts, furniture/ wooden articles, original paintings/ sculptures; Works of art reproductions; printing; popular music.

Services: Tourism (conventions, cultural, adventure, eco/agro, with destination to Central America), IT, software, call-centers, products and services commercialization, warehousing and distribution; logistic, matrix offices parks for the region and professional training, medical and dental services; miscellaneous professionals, micro-credit, remittances capitalization;

Any activity representing a direct or indirect support to tobacco, alcoholic drinks, illegal drugs or weapons manufacturing shall not be supported.

2. Selection criteria

Any request from a business that complies with the aforementioned requirements, shall be submitted to an initial assessment, in order to determine whether it complies or not with the selection criteria to become a beneficiary of the project. The selection criteria will be established jointly between EXPRO and CENTROMYPE. Annex 3 presents examples of selection criteria for illustration purposes with its corresponding importance. The criteria presented as an example are related with the following areas: organization, product and production, export capacity, and financial capacity.

It is important to point out that the fund contemplates a special mechanism named “Fast Track”, which has selection criteria that has been specifically designed for the execution of this mechanism. (The mechanism description is presented in Annex 4.)

3. Associative groups

One of the Export promotion fund’s objectives is to encourage enterprises’ association for export initiatives given the benefits and synergies that those provide to the enterprises.

For a project to be considered associative it shall comply with the following eligibility criteria:

- a. Having a minimum of three enterprises; and
- b. Having a common work plan.

Moreover, each enterprise of the associative group shall comply with the eligibility and program selection requirements that apply for individual companies.

C. Documents to be presented by applicants

The requesting and participating businesses shall follow a sequential process which has been designed in three phases. In the initial application the interested company will present the “**Funds Request for Phase I and Co-Financing Compromise**” (See Annex 5), to CENTROMYPE’s export window. This document contains the applicants’ official request of funds for the programs first phase as well as their compromise to provide their portion of its co-finance.

Moreover, the requesting business shall present the “**Business Profile**” (See Annex 6) after filling it in completely. It is important to point out that to the “**Business Profile**”, a sheet is attached which includes data to set up the indicators system’s base-line to monitor the enterprise’s evolution in aspects related with the export activity. Moreover the “**Business Profile**”, requests information to assess whether the company complies with the program’s selection and eligibility criteria.

The “Company Profile”, shall come together with the following documentation, depending on the case:

a. Individuals

- i. DUI photocopy
- ii. NIT (Tax Identification Number) photocopy

b. Juridical persons

- i. Legal representative's DUI
- ii. NIT (Tax Identification Number) photocopy

In case the enterprises have financial statements and commerce registry, presenting copies of the most recent financial statements and the commerce registry number will support and / or will speed up the assessment process.

Moreover the associative groups shall present a copy of their current work plan.

As it is mentioned in this document, the fund contemplates a special mechanism named "Fast Track" (See Annex about Fast Track), which has specifically designed mechanisms for its execution.

D. Co-financing structure

The co-financing that the Export Promotion Fund will be able to provide to each one of the companies in compliance with the established requirements, will range from 50% in the special case denominated "Fast Track" (See Annex about Fast Track on this document) up to a maximum of 80% of the process's total cost.

The fund's maximum contribution for an individual project shall be US \$7,000. The fund's maximum contribution for an associative project shall be \$ 8,750 per company. The minimum required of associated companies for an associative project is three. The "Fast Track" mechanism contemplates a fund's maximum contribution of US\$3,000.

A brief description of each one of the fund's phases as well as a maximum co-financing structure per enterprise for individual or associative projects is presented next.

Phase I is called "Diagnostic and Business Plan". In this phase a consultant will be hired, and will carry out an analysis of the company's present situation. This will identify its main strengths, opportunities, weaknesses and threats including the existent capacity to produce and export the identified product or service. Moreover, as a result of this phase we expect to obtain a business plan, which among other things should contain an action plan of the activities to be executed to enable the product that resulted with potential to be exported. It is estimated the funds phase I will be executed in a period of time that will not exceed 4 weeks.

Phase II consists in the implementation of the business plan which resulted from the project's first phase. This will require the hiring of different consultants and service providers, in order to apply improvements to the product, or to reinforce the company as indicated in the Business Plan, as well as to ensure compliance with the requirements for export or to become an exporter in a sustainable way. It is estimated the funds phase II will be executed in a period of time that will not exceed 10 weeks.

Phase III's purpose is to bring the product to the target market. In order to do so, we count on the participation in fairs, commercial missions or other initiatives that will encourage its promotion, as well as the identification of potential clients for business

articulation. . It is estimated the funds phase III will be executed in a period of time that will not exceed 8 weeks.

Co-financing structure of individual project enterprises

	Program's maximum contribution US\$	Entrepreneurial maximum contribution US\$	TOTAL PER PHASE US\$
PHASE I	940	235	1,175
PHASE II	3,730	932	4,457662
PHASE III	2,330	583	2,913
TOTALS	7,000	1,750	8,750

Co-financing structure of enterprises per associative group

	Program's maximum contribution US\$	Entrepreneurial maximum contribution US\$	TOTAL PER PHASE US\$
PHASE I	1,248	312	1,560
PHASE II	4,587	1,148	5,735
PHASE III	2,915	730	3,645
TOTALS	8,750	2,190	10,940

It is important to note the following regulations that will apply in relation to the co-financing amounts of the EXPRO-CENTROMYPE Fund:

- a. When participating MSE's are located on the areas specified on the following table, the consultants that will execute the diagnosis and business plan as part of the funds phase I will receive the following maximum amounts (Amounts to be paid are a product of the amount of hours allowed for a location and the hourly rate of the consultant up to a maximum of \$30 per hour)

**Maximum Amounts to be paid to consultants executing individual projects for Phase I
according to the business location**

Location	Includes	Hours Allowed	Maximum Amount
Metropolitan Area Of San Salvador	14 Municipios of the AMSS	35	1,050
First Group	San Salvador and La Libertad Outside of AMSS	38	1140
Second Group	Santa Ana and	40	1200

	Sonsonete		
Third Group	Ahuachapan, Usulután	44	1,320
Fourth Group	Chalatenango, Cuscatlán, Cabañas, La Paz, San Vicente	42	1,260
Fifth Group	San Miguel	45	1,350
Sixth Group	Morazan and La Unión	46	1,380

Maximum Amounts to be paid to consultants executing associative projects for Phase I according to the business location

Location	Includes	Hours Allowed	Maximum Amount
Metropolitan Area Of San Salvador	14 Municipios of the AMSS	41	1,230
First Group	San Salvador and La Libertad Outside of AMSS	44	1,320
Second Group	Santa Ana and Sonsonate	46	1,380
Third Group	Ahuachapan, Usulután	50	1,500
Fourth Group	Chalatenango, Cuscatlán, Cabañas, La Paz, San Vicente	48	1,440
Fifth Group	San Miguel	51	1,530
Sixth Group	Morazan and La Unión	52	1,560

- b. When a MSE does not use the total amount allowed for a given phase of the fund, the remaining amount (the difference between the maximum allowed amount and the amount actually used) for the phase could be added to the maximum allowed amount for the immediate following phase. Additionally and for applicable cases if in the immediate following phase the maximum allowed amount or any added remnant of previous phases is not completely used, the sum of both can be added to the maximum amount allowed for the immediate following phase.

E. Service for Requesting Businesses

Service for requesting businesses will be done directly by the CENTROMYPE's Export Window, through specialized technicians who will support the entrepreneurs during the whole process in order to make it agile.

The Export Window relies directly on CENTROMYPE's General Management and its task will be to administer, assess, monitor and follow up the different actions that are executed in the framework of the project's implementation and execution.

Office hours will be Monday to Friday from 8:30 a.m. to 12:30 p.m. and from 1:30 p.m. to 5:30 p.m. If necessary these times could be expanded.

F. Phase I

1. Application, Assessment and Resolution Process Phase I

a. Application to Phase I

CENTROMYPE's Export Window shall receive from the applying companies **the "Funds Request for Phase I and Co-Financing Compromise"** and the **"Business Profile"** filled in completely, as well as all required documentation. The Export Window will have to open or start a file to handle exclusively all information related to applicant, it will also have to assign a unique code to the applying company. EXPRO has developed a codification system (See Annex 7), that will have to be used to facilitate reporting to USAID regarding the fund's goals and objectives, beneficiary MSES located in the areas affected by the earthquakes and other information. CENTROMYPE shall certify the receipt of the **"Business profile"**, as well as the **"Funds Request for Phase I and Co-Financing Compromise"** and the required documentation through a control mechanism that the Export Window will manage.

The Export Window will then review the information provided in the **"Company Profile"** and the required documentation in order to determine that the basic requirements are met. In addition, it will visit the enterprise to verify the production infrastructure and it shall verify the information provided. Additionally CENTROMYPE's Export Window will provide support to the applicant business in duly completing the requested information in the **"Business Profile"**.

The Export Window will prepare the **"Application Summary, Recommendations, and Certificate of the Resolution"** (See Annex 8) to CENTROMYPE's Internal Committee which shall present in a concise way the enterprise's main elements and recommendations to facilitate the work of CENTROMYPE's internal committee in the assessment of the businesses application for Phase I (Diagnostic and Business Plan).

b. Assessment for Phase I Application

The assessment of applications for Phase I will be made by CENTROMYPE's Internal Committee. CENTROMYPE's Internal Committee shall assess the support requests on the basis of the **"Application Summary and Recommendations"** and the documentation of the enterprise attached to it. The Internal Committee will ensure the fund's qualification and eligibility criteria's application, to decide on the applying company's support pertinence.

Based on the conclusions of the Internal Committees review, a decision will be made on whether the business qualifies, qualifies but with conditions, or doesn't qualify. A decision stating that the company does not qualify could include recommendations on how to improve the business for a second application during the validity of the fund. The Internal Committee will generate in writing its decision and/or recommendations regarding the assessments that are made and minutes of the resolutions in the form **"Application Summary, Recommendations, and Certificate of the Resolution"** described above. CENTROMYPE shall immediately notify the resolution to the non-qualifying companies.

Moreover, CENTROMYPE shall send a written proposal to EXPRO with a photocopy of the “Application Summary, Recommendations, and Certificate of the Resolution” and the support documentation on the companies that have been approved as qualifying applicants by CENTROMYPE.

c. EXPRO’s Ratification, Approval by USAID and Notification to the Qualifying Company

EXPRO shall review the CENTROMYPE’s approved businesses’ documentation for phase I to make sure that these comply with USAID’s requirements and policies. EXPRO will have the right to reject the support contracts granting resources under this agreement if they do not comply with USAID’s requirements and policies.

If the Company does not comply with USAID’s requirements, EXPRO shall notify in writing to CENTROMYPE, within 6 business days that the approved enterprise will not qualify to receive the benefits of Phase I. CENTROMYPE shall notify the enterprises in writing upon reception of EXPRO’s notification.

If the business is ratified by EXPRO as complying with USAID’s requirements and policies, EXPRO will send the documentation to USAID for final approval. USAID will respond in writing within 5 business days its resolution if the business qualifies to receive the benefits of Phase I. EXPRO shall notify in writing to CENTROMYPE in respect to USAID’s resolution once it receives a response. CENTROMYPE shall notify the enterprises in writing upon reception of EXPRO’s notification regarding USAID’s final approval.

2. Execution Phase I

Phase I is called “Diagnostic and Business Plan”. In this phase a consultant shall be hired, to diagnose the company’s present situation in order to identify its main strengths, opportunities, weaknesses and threats including the present capacity to produce and export the identified product or service. Moreover, as a result of this phase we expect to obtain a Business Plan that among other things should contain an Operational Plan of the actions to be executed to render the identified potential product exportable.

CENTROMYPE’s Export Window shall develop the necessary reference terms to facilitate the hiring process of a consultant that will execute the “Diagnostic and Business Plan”. The terms of reference must be in compliance with the format presented in Annex 9. The content of the “Diagnostic and Business Plan” shall be in accordance to the guide presented in Annex 10.

A competitive process shall be used to select the consultant who will execute the beneficiary company’s “Diagnostic and Business Plan”. The consultant will be identified among a CENTROMYPE’s pre-qualified group of consultants. The consultants pre-qualified by CENTROMYPE can be local or foreign and to be effectively pre-qualified they should meet the requirements presented in Annex 11. EXPRO shall provide

guidance and support to CENTROMYPE's Export Window in compliance with USAID's requirements for an objective selection processes and to request and analyze offers in a competitive way. Moreover, the participating business shall participate in the consultant's selection and it shall sign a Letter of Acceptance of the latter. (See Annex 12). Three is the maximum amount of businesses that a consultant can simultaneously serve during Phase I.

The contract execution and payment to the consultants selected for the "Diagnostic and Business Plan" development is EXPRO's responsibility. The contracting of the chosen consultant may be done through a "Purchase Order" for the consultancy services. The "Purchase Order" development and implementation with the consultant is EXPRO's responsibility. The "Purchase Order" is a fixed price and term document, which shall be granted to the consultant after duly completing the selection process according to USAID's requirements. The "Purchase Order" amount shall be for the part corresponding to the co-financing fund. The amount shall be as determined in the terms of reference and it shall not be higher than the established co-financing maximum limit for the first phase. Moreover, any chosen and hired consultant in phase I shall sign the confidentiality letter (See Annex 13), together with the signature of the "Purchase Order". A copy of the confidentiality letter will be provided to the participating business.

A requirement for the "Purchase Order" execution is that all participating businesses shall provide their 20% contribution to the total cost of first phase. This contribution shall be presented to EXPRO or the institution designated by EXPRO as a requirement before the execution of the "Purchase Order".

3. Consultant's Work Assessment on Phase I and Payment Request

CENTROMYPE's Export Window will check the consultant's degree of compliance with what was agreed upon in the terms of reference. The Export Window shall determine whether the consultant has to modify, widen or correct what was presented in the document so that it respects what was agreed upon, whether he will have to reflect the enterprise's situation and its possibilities in a better way and / or improve the export's plan formulation. If it is determined that the consultant has to make changes to the document, the consultant shall present such changes during the Export Window's stipulated period of time.

Additionally the business participating on Phase I shall review the consultants work and make commentaries or observations so that the consultant considers them in the content of the documents final version. Those commentaries or observations must be consistent with what was established in the terms of reference for the document. A requirement to enable payment to the consultant for the work performed during Phase I is the businesses signature of the **"Letter of Satisfaction with the Consultants Work for Phase I"** presented in Annex 14.

Once the Export Window determines that the consultant has followed what is stipulated in the reference terms and receives the business **"Letter of Satisfaction with the Consultants Work for Phase I"**, it shall prepare the **"Consultant's Payment Request**

for the Diagnostic and Business Plan Development” (See Annex 15) for CENTROMYPE’s Internal Committee. This document shall present in an accurate and summarized way the consultant’s degree of compliance and the Export Window’s recommendation. The payment request shall be attached to the terms of reference, to the final document handed by the consultant, and the business satisfaction letter to the work performed.

CENTROMYPE’s Internal Committee, shall assess the payment request presented on the basis of the attached documentation, in order to decide the consultant’s payment pertinence.

For all approved consultants, CENTROMYPE shall send payment request to EXPRO in writing, attaching photocopy of the support documentation (Payment Request to the Consultant, the Diagnostic and Business Plan and the Business Letter of Satisfaction with the Consultants Work). EXPRO shall check the documentation sent by CENTROMYPE to make sure that it complies with what is stipulated in the “Purchase Order”. If it does comply it shall proceed to prepare the corresponding payment. It is important to point out that the consultant’s effective payment will be made once he or she has presented to the Assessment Committee for Phase I a summary of his or her work. This presentation shall be made regardless that his or her work has already been approved for payment.

4. Other Obligations of the Parties Involved in the Execution of Phase I

In addition to the aforementioned requirements and obligations, during Phase I:

The business shall comply with the following:

- Facilitate all the information and documentation required by consultant in order to elaborate the diagnostic and the business plan
- Allow supervision from the Export Window and EXPRO’s staff, if considered necessary

The CENTROMYPE Export Window shall:

- Supervise and monitor the consultants’ activities’ with regard to the execution of the “Diagnostic and Business Plan”;
- Verify that the results obtained from the consultancy services are in compliance with what was established in the terms of reference;
- Keep the custody of the corresponding documentation in a file for each one of the companies participating in the program;
- Gather the required data for the indicators system and send them to EXPRO on the dates set up on the Cooperation agreement, the latest;

EXPRO shall:

- Pay out the co-financing funds to the chosen consultants for the “Diagnostic and Business Plan” execution according to the terms established in the “Purchase Order”. The

disbursements shall be carried out in a speedy and efficient way, always respecting USAID's procedures and regulations;

- Verify that the results obtained from the contracted consultancy services are in compliance with what was established in the "Purchase Order";
- Keep the custody of the corresponding documentation in a file for each one of the companies participating in the program;
- Oversee that CENTROMYPE delivers the required and collected data from the beneficiary companies for the indicators system before the dates set up on the Cooperation agreement between both institutions.

The consultant or company that develops the "Diagnostic and Business Plan" shall:

- Develop the "Diagnostic and Business Plan" according to the terms of reference handed by CENTROMYPE and using the way and methodology for that purpose;
- Correct the observations made to the diagnostic and business plan, made by CENTROMYPE's Export Window or the beneficiary company;
- Facilitate access to the documentation relating to the consultancy to the staff authorized by CENTROMYPE and EXPRO, so they can carry out the inspections they consider necessary;
- Execute the work in such a way that does not hinder the beneficiary companies' normal functioning and operations;
- Present a summary of his or her work to the Assessment Committee Phase I;
- Issue at the time of his or her fees' payment, the legal and required documents.

5. Assessment Phase I

The Approval Committee for Phases II and III shall be made up of two CENTROMYPE members, a representative of EXPRO, and an invited member with proven experience (entrepreneur or recognized person with recognized experience working with MSE's) invited by CENTROMYPE and the consultant that elaborated the document. This committee shall assess and approve support to the company as part of fund's phases II and III. The Committee shall operate according to the "Rules of the Approval Committee for Phases II and III" (See Annex 16).

If the diagnostic reveals that there are too many weaknesses in the company and the possible technical assistance under the mechanism is not enough to reinforce it significantly, the committee can advise the enterprise to seek reinforcement through other funds and it can come back to be assessed again by this committee in a time no less than two months during the life of the project.

The committee shall send a proposal to EXPRO in writing about the approved business plans and the activities to be carried out as part of phases II and III as well as a photocopy of the committee's resolutions certificate.

6. EXPRO's Ratification, Approval by USAID and Communication to the Business

EXPRO shall review the proposals' documentation of the business approved by CENTROMYPE to make sure that they comply with the USAID's minimum

requirements. EXPRO has the right to reject the support contracts granting resources under this agreement that do not comply with USAID's requirements and policies.

If the enterprise does not comply with USAID's requirements, EXPRO shall notify in writing to CENTROMYPE, within six business days, that the approved enterprise does not qualify to receive the benefits approved for phases II and III. CENTROMYPE shall notify the companies in writing upon receipt of EXPRO's notification.

If the business is ratified by EXPRO as complying with USAID's requirements and policies, EXPRO will send the documentation to USAID for final approval. USAID will respond in writing within 5 business days its resolution if the business qualifies to receive the benefits proposed for Phases II and III. EXPRO shall notify in writing to CENTROMYPE in respect to USAID's resolution once it receives a response. CENTROMYPE shall notify the enterprises in writing upon reception of EXPRO's notification regarding USAID's final approval.

G. Phases II y III

1. Phase II

A requirement that will need to be complied by the approved businesses before the execution of Phase II is to complete the **“Funds Request for Phase II and Co-Financing Compromise”** (See Annex 17)

Phase II consists of the business plan implementation resulting from the projects first phase. In order to do so, it shall be necessary to hire different consultants and service providers, the purpose being to improve the product or reinforce the company according to the business plan, so that it complies with the requirements to be exportable in a sustainable way.

The approved business plan will point out several specific or general needs relating to the technical assistance required by the businesses for product improvement or for its strengthening. In both cases, CENTROMYPE's will support businesses to start the process of identifying consultants that might provide the required technical assistance. Moreover, the consultants could be selected from CENTROMYPE's qualified consultant's data base or outside sources given that a competitive process is followed in compliance with USAID's requirements. Following the same logic, the business' service providers will be selected in compliance with USAID's requirements. EXPRO shall provide guidance and support to CENTROMYPE's Export Window and to the businesses in complying with USAID's requirements for objective selection processes and evaluating offers in a competitive way.

The selection of consultants and service providers will be made by the businesses with the support of CENTROMYPE's Export Window and/or EXPRO during these phases. The consultants or service providers selection shall comply with the requirements of a competitive process and shall respect USAID's regulations. CENTROMYPE's Export Window and EXPRO shall provide instruction to the businesses on how to define the terms of reference and to compare and choose between at least three offers. Moreover,

CENTROMYPE's Export Window shall coordinate the consultant's work so that their effort leads in a sequential way towards the development of an exportable product.

The financing of the activities to be executed during Phase II is EXPRO's responsibility. Financing to enterprises support on phase II could be cover by means of a purchase order or a grant agreement. There can be two types of grant agreement with the beneficiary companies:

- Simple Format: In the event the reimburse mode to the company is used; or
- Fixed Obligation: When there are no reimbursements.

Each company that will benefit form phase II and its corresponding projects shall have their particularities. Companies will have different formality, liquidity and project execution capacity levels. Likewise the projects shall have different sequences and types of required support. In this sense, the use of one or the other mechanism (Purchase Order or Grant Agreement in its two modes) or a combination of both is up to EXPRO for each particular company's business plan execution.

Notwithstanding the financial instrument, CENTROMYPE's Export Window shall play a monitoring, supervision, support and assessment role to ensure that the business respects what was established on the "Business Plan".

Just like in phase I, the participating companies shall provide their contribution of 20% of phase II total cost. The payment method of this contribution, the method to certify such payment and its precedence relation to EXPRO's contribution, shall be clearly set up in the selected document.

Activities that could be financed on Phase II include:

- i. Laboratory analysis (e.g. animal phitosanitary, microbiological and nutritional factor tests, among others)
- ii. Food inspections, quality certifications, organic products and toxicity certifications, among others.
- iii. Labeling and packing (adapted to the requirements of the country of destination), among others and printing.
- iv. Export promotional material (corporate image design, brochures, samples and tasting samples, among others) and printing.
- v. Products legalization in the country of destination, e.g. brand registries, copyright registries, sanitary registries and others necessary to operate in such market.
- vi. Technical assistance for the export project's related company's functional areas reinforcement.

It is important to point out that the aforementioned activities are those identified as a priority, however, this is not an exclusive list and additional activities could be identified during the project's life through a common agreement

Activities that cannot be financed with the program's co-financing funds include:

- i. Any type of asset purchase
- ii. Activities representing any type of support towards the direct or indirect manufacture of tobacco, alcoholic drinks and illegal drugs or weapons

2. Phase III

Phase III's purpose is to bring the product to the target market. In order to do so, it has been envisaged to participate in fairs, commercial missions or other activities that allow its promotion, as well as the identification of potential customers for the business articulation.

A requirement that will need to be complied by the approved businesses before the execution of Phase III is to complete the **"Funds Request for Phase III and Co-Financing Compromise"** (See Annex 18)

The approved business plan will identify the specific or general types of support related to the company's technical assistance and / or required services for phase III. Any selection process should comply with USAID's requirements. This shall also apply for the service providers working for the selected companies in regard to the compliance with USAID's requirements. EXPRO shall provide guidance and support to CENTROMYPE's Export Window and businesses regarding the compliance with USAID's requirements regarding objective selection procedures and the request of offers in a competitive way.

Just like in phase II, service providers and consultant's selection shall be made by the enterprises. CENTROMYPE's Export Window shall provide support to the enterprises on how to define the terms of reference and the selection and purchase between at least three offers. Moreover, CENTROMYPE's Export Window shall coordinate the consultant's work so that their efforts lead in a sequential way towards an exportable product development.

Financing of businesses in this phase shall be ruled by the same criteria as applied to phase II.

Activities that can be financed on Phase III include:

- i. Transport costs according to USAID's regulations regarding the use of airlines from the United States of America when possible;
- ii. Traveling and stay expenses in the country or city where the event is held (according to the reimbursement guidelines valid for USAID at the time of the event);
- iii. Participation expenses or visit to the fairs;
- iv. Fees paid for the space or stand's rent;
- v. Stand's construction and decoration costs;

- vi. Consultancies hired to support the Salvadorian participation preparation or the commercial mission; and
- vii. Costs of shipping product samples.
- viii. Preparation of agendas for interviews with potential clients in the mission's country of destination.
- ix. Other activities leading towards MSE's competitive position improvement on the export markets.

It is important to note that the aforementioned activities are identified as a priority, however, this is not an exclusive list and additional activities may be identified during the project's life through a common agreement

Activities that cannot be financed:

- i. Any type of asset purchase
- ii. Activities representing any type of support towards the direct or indirect manufacture of tobacco, alcoholic drinks and illegal drugs or weapons

3. Other obligations of the parties involved on the execution of Phases II and III

In addition to the aforementioned requirements and obligations, during phases II and III:

The businesses shall comply with the following:

- Facilitate all the information and documentation that may be required by the consultants for the execution of their technical assistances according to what was established;
- Allow supervision from the Export Window and EXPRO's staff, if they consider it necessary

CENTROMYPE's Export Window shall:

- Supervise and monitor the consultant's activities during the execution of their technical assistances;
- Verify that the results obtained through the services and consultancies hired are as established in the terms of reference;
- Keep custody of the corresponding documentation in one file for each one of the companies participating in the program;
- Gather the necessary data for the indicators system and send it to EXPRO before the dates set up in the Cooperation Agreement;

EXPRO shall:

- Pay out the co-financing funds to the consultants or service providers in the case of a "Purchase Order" or to the beneficiary enterprises when using grant agreements. The payments must be done in a speedy and efficient way, in compliance with what was established in the contracts and with USAID's procedures and regulations;

- Verify that the results obtained through the services or consultancies hired are as established in the terms of reference;
- Keep the custody of the necessary documentation in one file for each one of the enterprises participating in the program;
- Oversee that CENTROMYPE hands the data required for the indicators system by before the dates established in the Cooperation Agreement between both institutions.

The consultant or the service provider shall:

- Develop its work in compliance with the terms of reference that have been established;
- Facilitate access to the documentation related to the consultancy to the staff authorized by CENTROMYPE and EXPRO, so that they can carry out the inspections they consider necessary;
- Execute the work in such a way that does not hinder the beneficiary companies' normal functioning and operations;
- Issue the legal and required documents at the payment of the fees.

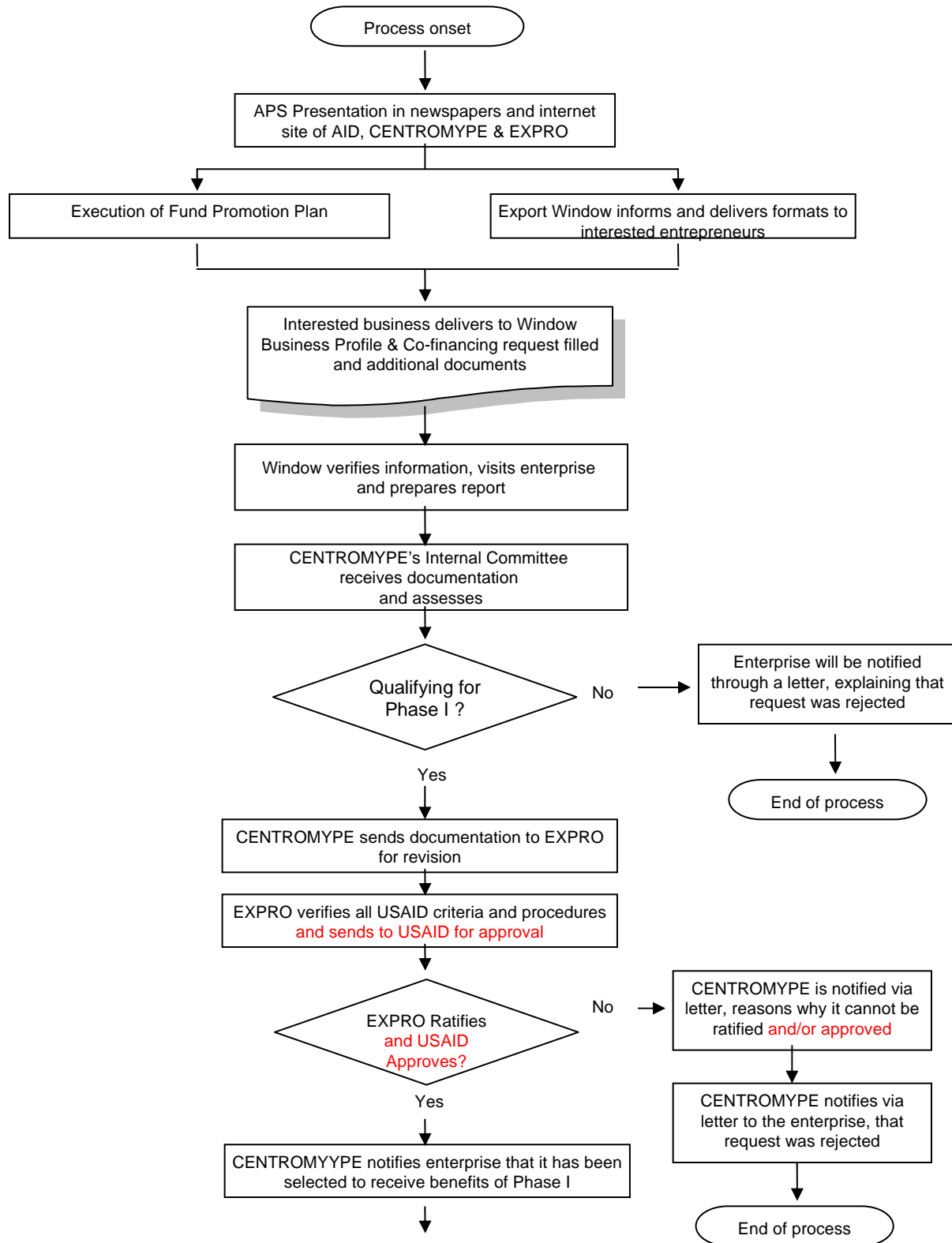
H. Closure of individual projects

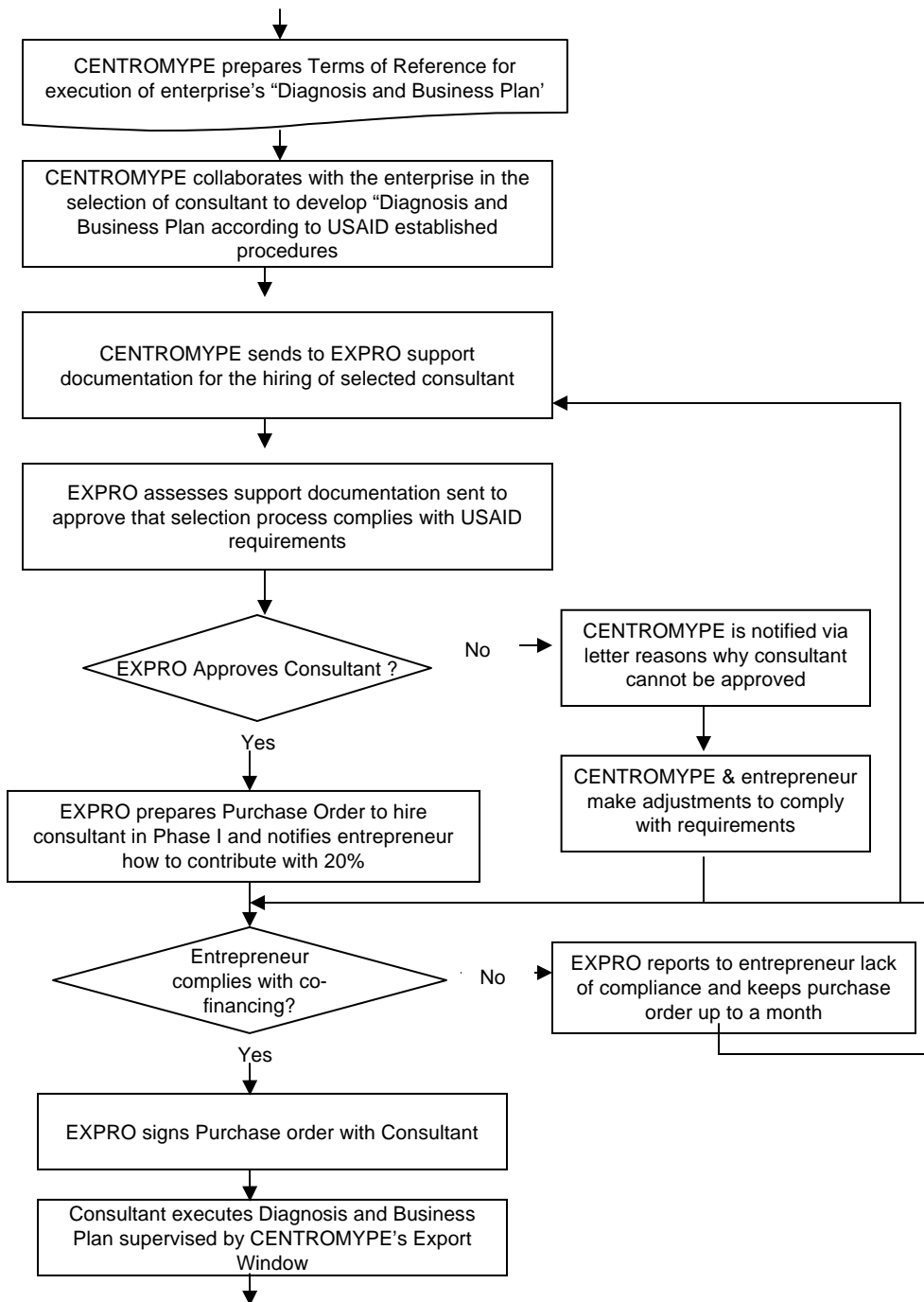
The closure of each individual project will be made once the activities described in the "Business Plan" have been executed. The closure will require for CENTROMYPE to confirm that all activities have been carried out according to the "Action Business". This document should include the documents of acceptance and satisfaction with the support received as part of the fund.

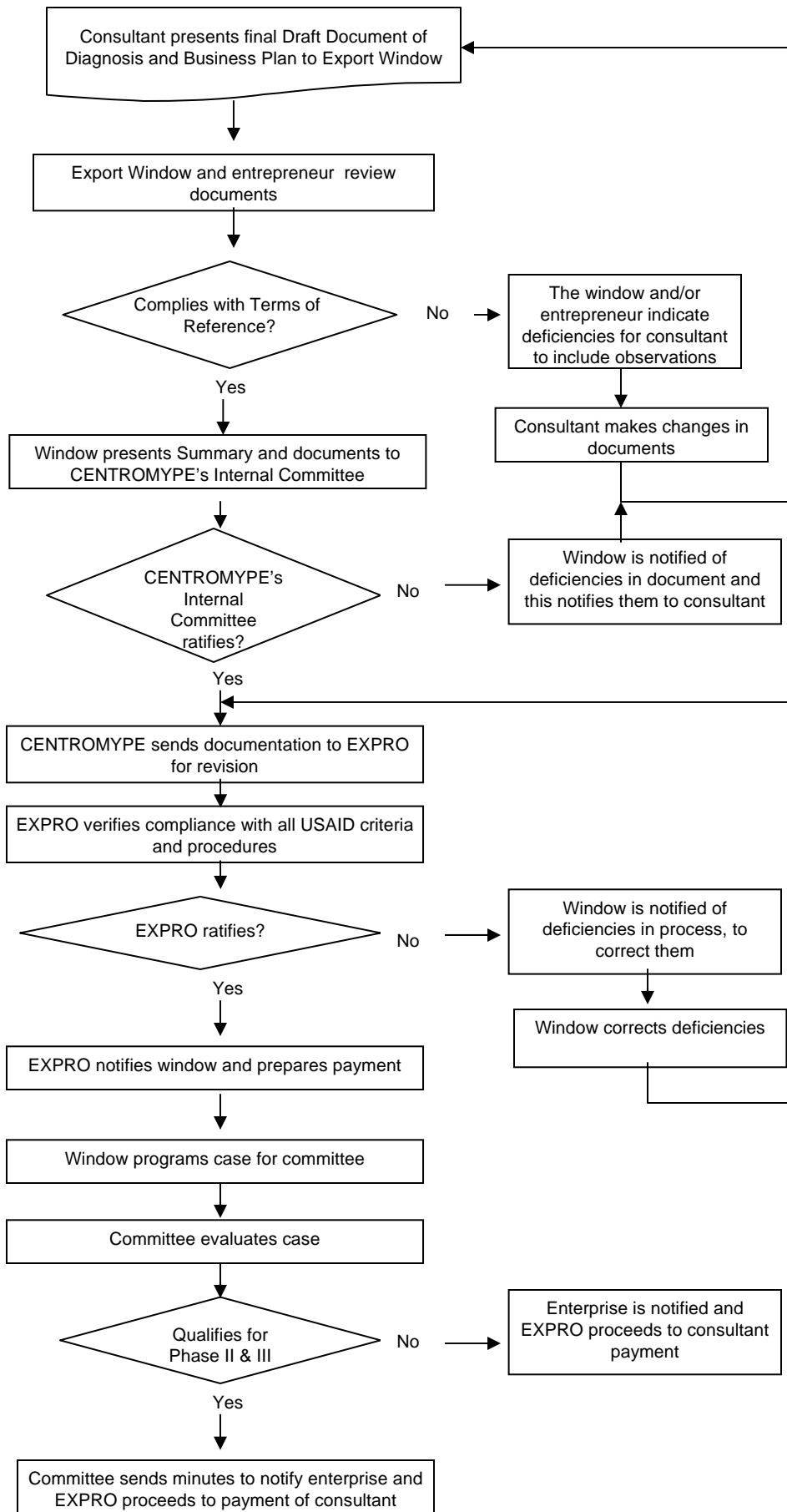
In addition the final report should include a document containing CENTROMYPE's joint evaluation with the business of the results obtained. The document shall include the project's description, support received, lessons learned during its execution and future recommendations for the business. The final reports of each participating business must be completed no later than 60 days after completing the activities approved for the business in Phases II and III.

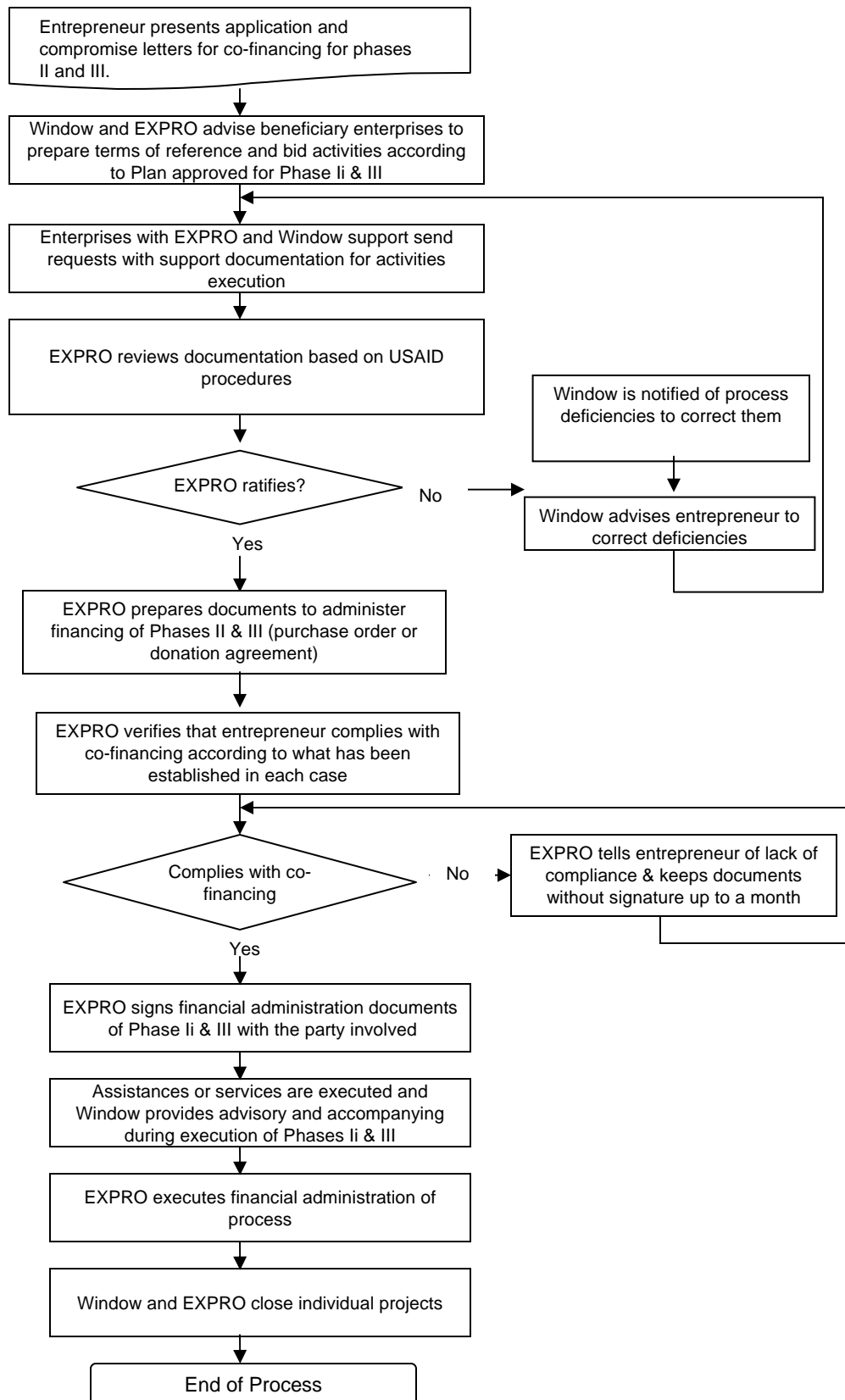
The final reports as well as all documentation for any particular business participating in the fund should be files in the individual projects file.

Annex No 1 Process Flow Gram









ANNEX 2

ANNUAL PROGRAM STATEMENT ON THE PROGRAM'S CONTENT

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 2

APS

Annual Program Statement on the Program's Content

Export Promotion Fund EXPRO-CENTROMYPE

- A** In compliance with 22 CFR 226 and the Foreign Assistance Act of 1961, EXPRO announces that micro and small enterprises (SME's) of El Salvador have the opportunity to apply to receive support and assistance for the penetration of external markets with their products or services.

B. Program objectives

Contribute to the promotion and development of micro and small enterprises promotion (SME's) through the promotion of their goods and services in regional and international markets.

Support micro and small enterprises (SME's) with specialized services that help them improve their competitive position in international markets.

Contribute towards the diversification of the national exportable offer, assuring effective participation of micro and small enterprises (SME's) in the export activity, what contributes to increase employment, population income and dynamize national economy.

Program objectives apply so much for SME's individually, as well as for those who form an associative group.

C. Life of the Program

The opportunity to apply the program, as long as there is availability of funds, ends March 2005. The execution of individual plans of enterprises should not go further from June, 2005.

D. Support offered by the Program

The program is divided in three support phases for enterprises which qualify. These phases are:

Phase I

Technical financial assistance in the development of enterprise diagnosis focused in exporting activity, as well as exporting business plans.

Phase II

Finance technical assistance to develop and/or adequate products and services for export, including elements such as design, packaging, and presentation. Also, phase 2 contemplates technical assistance to strengthen functional areas related to the export process.

Phase III

Finance participation in international fairs and/or commercial missions to promote products and services in regional and international markets.

E. Program Application Process and Evaluation Criteria

To qualify for all program benefits, micro and small enterprises (SME's) must undergo a two phase's process. This process starts with a preliminary assessment of the enterprises to determine whether they comply with eligibility and selection criteria of the program

To be eligible to the program, enterprises must:

- a. Have 50 or less permanent employees;
- b. Have a yearly sales level up to \$687,704
- c. Preferably that most of its economic activity be located on the departamentos defined by USAID as affected by the 2001 earthquakes (San Vicente, Usulután, Cuscatlán, Sonsonate, Ahuachapán, La Libertad, and La Paz) and/or located outside the Municipality of San Salvador;
- d. That the export goal be one of the following i) Central America, Mexico, and South America; ii) United States and Canada; iii) Caribbean; iv) Europe; v) Japan; Republic of China and the rest of Asia.
- e. To develop economic activities in one or more of the following productive sectors:

Agriculture and food: Fresh and processes fruits and vegetables, juices and preparations of tropical fruits, “typical” or “specially” prepared foods, ecological/social foods, certified seeds; plants.

Manufacture/handcrafts/arts: Gifts and decorative domestic articles with original designs, handcraft, furniture/wood articles, paintings/original sculptures, artwork reproductions; printing; popular music.

Services: Tourism (conventions, cultural, adventure, eco/agro, destination Central America), IT, software, call center; commercialization of products and services; storage and distribution; logistics, parks, head offices for the region; training and professional training, medical & dental services, varied professionals, micro credit, remittances capitalization;

It is important to note that the sectors and markets mentioned here are identifies as priorities; nevertheless this list is not exclusive and additional sectors or markets may be identified during the life of the project.

Enterprises applying as associated groups must comply with the above mentioned eligibility criteria. Additionally, these enterprises must comply with a minimum of three enterprises associated and have a common working plan.

To be eligible, enterprises must fill the format called “Business Profile”, and “Comprehensive Funds Application for the Whole Process”. Enterprises will also have to present basic required documents as a pre-requisite to be eligible to participate in the evaluation and qualification process. Basic required documents for *Natural Persons* are a photocopy of the Single Identification Document and Tax Contributor Number. For *Legal Persons* are the photocopy of Single Identity Document of the Legal Representative and NIT of the enterprise.

If the enterprises have financial statements and trade registration, present them, to expedite their evaluation process.

Additionally, associative groups must present a copy of their working plan if it exists.

On the other hand, the qualification process includes an evaluation to determine if the enterprise complies with the selection criteria. Selection criteria are related to the following areas: Organization, Product/Service and Production, Export Capacity and Financial capacity. Information provided by the enterprises when completing “Enterprise Profile” collects the necessary data to assess selection criteria.

Enterprises which comply with eligibility and selection criteria will qualify to receive benefits of the Phase I of the program.

During phase I the program will provide technical assistant in the development of diagnostics of enterprises which will focus on the export activity, as well as exporting business plans. “Businesses Diagnosis and Plans” will be assessed by a committee that will determine the potential of enterprises to concretize export businesses during the life of the program. Enterprises selected by the committee will receive the benefits of Phases II and III of the program.

During phase II the program will provide technical assistance to develop and/or adequate products and services for export, including elements such as design, packaging and presentation. Also, phase II contemplates technical assistance to strengthen functional areas related to the export process.

During phase II the program will provide technical assistance to develop and/or adequate products and services for export, including elements such as design, packaging and presentation. Also, phase II contemplates technical assistance to strengthen functional areas related to the export process.

During phase III the program will provide support to participate in international fairs and/or trade missions to promote products and services in the regional and international markets.

F. Support Per Enterprise

The maximum contribution from the fund for an individual project will be US \$7,000 and for an associative Project, \$8,750 per enterprise.

G. Co-Financing Structure

Program applicants will be required to pay 20% of total costs of the process, the fund will co-finance 80%.

H. Finance of Project Programs

Program finances will be managed by EXPRO.

I. Contacts

EXPRO

Luis Alfaro or Rafael Renderos
211-0811, 211-5911, 5908
lalfaro@expro.org
rrenderos@expro.org
89 Av #135 Paseo Escalón
Frente Scotiabank

CENTROMYPE

Lucy Murillo 275-8030
lmurillo@integra.com.sv
Edificio Century Plaza Nivel 1
San Salvador

J. USAID reserves the right to approve all or none of the applications presented for this program.

ANNEX 3

WEIGHTS TO ASSESS SELECTION CRITERIA FOR BUSINESSES ACCORDING TO INFORMATION PRESENTED IN THE “BUSINESS PROFILE”

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 3

Example

Weights to Assess Selection Criteria for Businesses According to Information Presented in the “Business Profile”

To qualify for the program enterprises must obtain 13 points from the total twenty four possible points. Additionally, enterprises must obtain points (at least 1 point) in all 4 categories assessed.

Organization: (6 possible points)

- Affiliated to an Entrepreneurial Association or Group? (Yes 1 , No 0)
- Have Procedures manuals and policies? (Yes 1 , No 0)
- Trade Registry? (Yes 1 , No 0)
- VAT Registry? Date_____?(Updated to last 2 months 2; have them but not updated, 1; does not have them 0)
- Have some costing system? (Yes 1, No 0)

Product & Production: (6 possible points)

- Sales growth in three years? (No growth or does not apply 0, 10% or less 1, more than 10% 2)
- Has some type of quality control system?(Yes 1, No 0)
- Antiquity of the equipment or production material?(Over ten years 0, between ten to five years 1, under five years 2)
- Has capacity to increase production at the short term? (Yes 1, No 0)

Export Capacity: (6 possible points)

- Only alternative of greater points is considered, of the three presented next, if the enterprise complies with more than one.
 - Has exported directly? (Yes 5, No 0)
 - Has exported indirectly? (Yes 3, No 0)
 - Sells in the local market? (Yes 2, No 0)
- Some member of the enterprise has some type of training in foreign trade? (Yes 1, No 0)

Financial Capacity: (6 possible points)

- Solvency: (Sales/Acc. Rec.) & (Sales/Acc. Pay.) equal or more than 1? (Yes 1, No 0)
- Has ever had a loan? In institution supervised by SSF or informal institution? (If credit at SSF supervised institution 2, If credit with informal institution 1, If never had credit 0)
- Financial Statements? Date_____?(Updated to last 2 months 2, have them but not updated 1, Has none 0)
- Audited Financial Statements?(Yes 1, No 0)

Annex 4

EXPRO
EL SALVADOR

Export Promotion for Micro,
Small and Medium Enterprises

Programa de Promoción de Exportaciones
para la Micro, Pequeña y Medianas Empresas

N
NATHAN
ASSOCIATES INC



Policies and Procedures

for

Fast Track

(December 18, 2003)

USAID - PCE-I-833-98-000-16-00

I. Purpose

The Fast Track mechanism is an assistance program for a group of limited qualified enterprises. The program seeks to facilitate participation at an international fair or commercial mission. The cost of participating in these activities are shared 50% by EXPRO-FOEX or EXPRO-CENTROMYPE funds, and 50% by the beneficiary enterprise according to the procedures and restrictions stated following.

Up to 25% of the total amount allocated for CENTROMYPE and FOEX export promotion funds will be used to finance this program. A maximum amount of \$175,000 from the FOEX fund and a maximum amount of \$ 175,000 from the CENTROMYPE fund will be used for this purpose.

The qualifying businesses can participate on the fast track mechanism more than once. Additionally, businesses that have benefited from the fast track mechanism can participate under the “regular” mechanism of the funds given that they comply with the eligibility requirements and qualification criteria. Businesses can only participate once under the “regular” mechanism of the funds.

II Organization Responsible for implementing the program

EXPRO along with FOEX or CENTROMYPE will be responsible for implementing the program. The three institutions will collaborate with the evaluation and approval of enterprises, and will provide information on the project to enterprises they work or keep contact with.

In addition, CENTROMYPE or FOEX and EXPRO will be responsible for following up on enterprises’ efforts to close businesses as a result of participating in the commercial mission. Furthermore, CENTROMYPE and FOEX will support EXPRO in the quarterly gathering of data on these enterprises for AID’s system of indicators throughout the project’s life.

Application forms will include Logos of CENTROMYPE or FOEX and EXPRO and USAID.

II. Assistance to be provided

Activities

The financial support to be provided through this program will cover the following:

- Transportation cost;
- Per diem and lodging expenses in the country and city of the event (According to USAID’s reimbursement guidelines effective by the date of the event);
- Participation or fair attendance expenses;
- Space or stand rent;
- Stand construction and decoration;
- Consultancies hired to support the preparation of the Salvadoran participation at the fair or commercial mission; and
- Cost of sending product samples.

No support will be provided for:

Activities that represent support for the direct or indirect manufacturing of tobacco, alcoholic beverages, illegal drugs, or arms.

It is also important to notice that every activity to be financed and the financing mechanism shall be according to USAID's policies and procedures.

Maximum support amount to be provided by the program

Participating businesses will be financed a maximum amount of \$3,000. Participating businesses shall contribute the same amount as that contributed by the funds in order to comply with the cost-sharing scheme of 50% EXPRO-FOEX or EXPRO-CENTROMYPE, and 50% the beneficiary enterprise.

Form of Support

Funds will be contributed through:

- An enterprise reimbursing mechanism; or
- EXPRO's direct purchase of the services to be used by the enterprises; or
- A combination of both mechanisms.

The use of one or another mechanism or a combination of both, is up to EXPRO's discretion for each particular mission. EXPRO's contribution mechanism to be applied to the mission will be introduced by the time when the opportunity and the details of the missions to be supported through this mechanism are made public.

For the reimbursing mechanisms, participants shall submit proof of participation or use of services and copies of payment receipts. The services and participations to be reimbursed shall be acceptable, permissible, and assignable, according to the procedures of this mechanism. Additionally, EXPRO will not reimburse IVA tax payments through this mechanism. Entrepreneurs are responsible for paying the IVA tax, and it is part of their contribution.

The services to be purchased directly by EXPRO on behalf of the businesses shall be acceptable and permissible to the program. Due to the fact that each mission is different and with its own particular aspects, expenses to be assumed directly by EXPRO and by the entrepreneur will be specifically determined for each mission. Details of expenses to be covered by entrepreneurs and by EXPRO will be provided by the time the missions that will use EXPRO's direct purchase mechanism become public.

A briefing meeting with participating enterprises will be held before each mission in order to go over all the details related to reimbursements and /or costs of each mission in particular. Additionally, the execution agreement between the enterprise and EXPRO will clearly define expenses that are permissible, acceptable, and assignable, and the documents to be submitted for reimbursement or proof of the enterprise contribution.

III. Eligibility, Application and Evaluation

Eligibility

An enterprise will qualify if it meets the following criteria:

Less than 100 employees for FOEX and less than 50 for CENTROMYPE,

Yearly sales between \$70,000 and \$3,000,000 for FOEX and less than \$685,704 for CENTROMYPE;

Preferably that most of its economic activity is located in the departamentos that USAID defined as affected by the 2001 earthquakes (San Vicente, Usulután, Cuscatlán, Sonsonate, La Libertad, La Paz and Ahuachapán) and/or located outside of the Municipality of San Salvador;

2 or more years of business operation,

It has exported /or produces a good or service related with the fair or commercial event in which it will participate

It is financially solvent (Financial ratios: Sales / Accounts Receivable and Sales/ Accounts Payable must be at least 1)

Submit completed application form,

Participated in an interview, and

Facilities visited by program's representatives,

Application

The enterprise shall submit an application form completed, along with copies of following documents:

- Financial States of last quarter (Balance Sheet and Income Statement of last three months.) and;
- Photocopy of Commerce Registration;

Each application received will be registered by date and time of reception by FOEX or CENTROMYPE, or EXPRO as the case may be, and will evaluate all applications chronologically using the criteria defined in this document, until all available spaces are full.

Application forms can be delivered in person, by mail, or via the Internet. In any case, FOEX or CENTROMYPE or EXPRO determination of date and time of reception will be final. All applications shall be duly identified by FOEX, CENTROMYPE or EXPRO by date and time of reception. It is important to notice that applications will be received only for fairs or commercial missions that are being advertised at the time as open for application.

Evaluation

FOEX, CENTROMYPE, or EXPRO's representatives will hold interviews. These CENTROMYPE, FOEX or EXPRO's representatives will be named by their respective Directors or General Manager. These institutions will coordinate with participating enterprises the date and time of the interviews.

The interviewing representative will complete the summary form "Enterprise Profile" through which most relevant information will be presented including his/ her opinion. The documentation submitted by the enterprise will be attached to this form as part of the application and will be sent to FOEX's Director or CENTROMYPE's Internal Committee or EXPRO's Director for ratification.

FOEX's Director, CENTROMYPE's Internal Committee or EXPRO's Director will determine based on the information submitted if the applicant enterprise qualifies, does not qualify, or need more information in order to make a decision. If more information is needed, a notice will be sent to the representative who performed the analysis, detailing the nature of the information needed in order to make a decision. When the representative has completed such information he/ she sends again the documents so that FOEX's Director, CENTROMYPE's Internal Committee or EXPRO's Director makes a decision.

In addition, CENTROMYPE or FOEX will send a copy to EXPRO of the “Application Summary, Recommendations and Resolution Minute” and the supporting documentation of the enterprises that have been approved as qualified applicants by these institutions. EXPRO will review the documentation of the enterprises approved in order to ensure that they comply with USAID’s requirements and policies.

Notification to Enterprises

EXPRO, FOEX or CENTROMYPE will notify in writing to applicant enterprises the results of their applications to be benefited with the “Fast Track” mechanism.

V. Additional Responsibilities of Participating Enterprises

Participating enterprises shall submit a brief report indicating contacts established, closed businesses, and lessons learned during the event in which they participated. They shall also submit a follow up report on these issues on a quarterly basis during the following year after the date of the event. Participating enterprises shall submit information about their exports and other related information for EXPRO’s system of indicators. This information’s exact date of submission will be identified and included in the approved document signed with the participating enterprise.

It is important to notice that the participating enterprise will be responsible for the documents and necessary permits to travel, such as passports or visas to the country of destination. EXPRO is not responsible under this agreement for any issues related to those documents.

Enterprises may apply more than once if they have satisfactorily complied with requirements from a previous contract.

VI. Promotion

EXPRO will initially promote this support opportunity through the APS mechanism, which will become public during the month of December 2003. The information contained in the APS will be published on a nation wide communications media, as well as in USAID and EXPRO’s web pages in Internet. This information shall include all Fairs and Events (with dates and locations) already identified, confirmed, and determined as acceptable by EXPRO by the date of the APS presentation. Information about additional fairs that have been confirmed and accepted will be updated on a quarterly basis in both web pages in the Internet, when EXPRO identifies new qualified opportunities. EXPRO will have the authority and the responsibility of identifying, confirming, determining the convenience and acceptability of fairs and commercial missions.

APS shall clearly inform to the business community of the features of the “Fast Track” mechanism, and how they can apply for support under it. The information will detail eligibility criteria and application procedures with the purpose of enabling potential applicants to easily and clearly identify the proper opportunities. The first opportunity could be announced before the APS presentation thorough a major national newspaper.

Advertising of each opportunity shall include:

- Name of fair with date and location,
- Starting date to receive applications,
- Deadline for submission of application,
- Place where to obtain and submit applications and contact information at EXPRO
- Number of enterprises EXPRO projects to assist in that opportunity
- EXPRO’s form of support (Reimbursement, Direct Purchase or Combination)

In case of direct purchase, costs to be covered by EXPRO and costs to be covered by the enterprise.

VII. Priority Markets and Industries

The following specific examples illustrate the industries and markets that could be supported with project funds. These industries and markets have priority interest and the projects that include these elements will be preferred with regards to those that do not.

Agriculture and food:

Fresh and processed fruits and vegetables;
Tropical fruit juices and preparations;
“Typical” or “special” food preparations;
Ecological / social food;
Certified seeds; plants;

Manufacture/ handicrafts/ arts:

Gifts and home decoration items with original designs;
Handcrafts;
Furniture/ wood items;
Original paintings/ sculptures; reproductions of masterpieces; printing; popular music

Services:

Tourism (conventions, cultural, adventure, eco /agro, with destination in Central America);
IT, software, call-centers;
Marketing of products and services;
Storage and distribution; logistics;
Headquarters complex for the region;
Professional training;
Medical and dental services; several professionals;
Micro loans, capitalization of remittances;

Regional Markets:

Central America, Mexico, and South America;
United States, and Canada;
The Caribbean;
Europe;
Asia

Name of Fair or Commercial Mission: _____

Received by: date _____ time _____ correlative number _____

ENTERPRISE PROFILE FOR “FAST TRACK” MECHANISM AID-EXPRO EXPORT PROMOTION PROGRAM

I. GENERAL INFORMATION OF THE ENTERPRISE

1. General Data		
Name of Enterprise		No. N.I.T:
Name at Registry of Commerce:		N.R.C.
		No. DUI
Legal Representative:		No. DUI
Address:		
Telephone:	Fax:	E-mail:
Years of existence of enterprise:		
Plant's physical location:		
2. Export Plan		
Enclose executive summary of export plan to promote the sale of this product /service related to the fair's market, including the following areas: (maximum 2 pages)		
<ul style="list-style-type: none"> Brief description of export product; Market of destination (Country, final customer profile); Projected distribution channel; Product's competitive advantage in target market in regards to competition; Other penetration strategies for the product. 		
3. Classification		
Sector / Sub-Sector:		
No. Production permanent employees	No. Administrative permanent employees	Total
4. Capacity		
Have you exported before, to what country?		
Are you currently exporting, to what country?		
Briefly describe the company's facilities including machinery and equipment		

Enclose description of facilities and / or production area of the company including the following areas:
(Maximum 2 pages).

- Maximum production capacity under current conditions and capacity used;
- Mention a quality system already in place or in the process of being set up;
- Describe in general terms main equipment/ machinery and their age of acquisition and manufacture;

5. Estimated Budget

Item	Estimated Amount
1)	
2)	
3)	
4)	
5)	

San Salvador, on the _____ day of the month of _____ de 200_____

Name and Signature of Enterprise's Legal Representative

Enterprise's seal

=====

EXCLUSIVE FOR FOEX or CENTROMYPE USE

Date of Reception

Name of Receiver:

Signature:

ANALYSIS SUMMARY ENTERPRISE PROFILE “FAST TRACK” MECHANISM

AID-EXPRO EXPORT PROMOTION PROGRAM

1) Number of Employees	
Number of Employees _____	Qualifies _____ Does Not Qualify _____

2) Years in Operation	
Years in Operation _____	Qualifies _____ Does Not Qualify _____

3) Financial Analysis	
Sales/Accounts Receivable _____	Qualifies _____ Does Not Qualify _____
Sales / Accounts Payable _____	Qualifies _____ Does Not Qualify _____

4) Export Experience and Capacity	
Have you previously exported (Brief Description): 	
Do you produce a good or service related with the fair or mission to be attended (Brief Description): 	
Recommendation by Evaluator Qualifies _____ Does Not Qualify _____ and Brief Description of Recommendation: 	

Name of Evaluator: _____	Signature: _____
Date: _____	

Approved _____	Unapproved _____	Needs more Information _____
Detail of Additional Information: 		
FOEX or EXPRO Director or CENTROMYPE Internal Comittee	Signature: _____	
Date: _____		

INITIAL INFORMATION REQUIRED BY SYSTEM OF INDICATORS

I. ENTERPRISE DATA		
1. GENERAL DATA		
Name of Enterprise:		
Address of Main Office (With Depart. and Munic.):		
Address of Plan or Production Center (With Depart. and Munic.):		
Telephones:	Fax:	E-mail:
Main contacts		Title:
1.		
2.		
3.		
2. ENTERPRISE ECONOMIC ACTIVITY		
Economic Sector and Sub-Sector of Enterprise:		
Total number of Employees (Complete Time):	Women:	Men:
Date of last financial statements available (Month/Year):		
Total and Fixed Assets, as per last available Balance Sheet:		
Total Assets: \$	Fixed Assets: \$	
Balance of loans by closing of last month: \$		
Balance with Financial Institutions Regulated by the SSF: \$		
Balance with Non Regulated Financial Institutions: \$		
3. INFORMATION ON EXPORTS		
Information on Products with interest in increasing or making new exports:		
Product	Country and (If indirectly exporting indicate name of intermediary company, If the country is Mexico, include region and if U.S. include state)	Market (Salvadorans living abroad, other ethnic groups, others)
1)		
2)		
3)		
Do you have export experience? YES NO		
If answer is YES, please complete the following information.		

Product and Years of Experience	Country and (If indirectly exporting indicate name of intermediary company, If the country is Mexico, include region and if U.S. include state)	Annual Volume of Export in \$
1)		
2)		
3)		
Have you exported this year? YES NO		
If the answer is YES, please complete the following information.		
Product	Amount in \$	# Shipments
1)		
2)		
3)		
4. GENDER		
Women's participation among company partners: YES Number: NO		
5. TECHNICAL TRAINING AND ASSISTANCE		
Training on Export issues: YES NO Training Source and Date:		
Technical Assistance on Export issues: YES NO Assistance Source and Date:		
II. EXPRO SPACE		
Source of Assistance: FOEX____ CENTROMYPE____ Direct EXPRO____ Associative Groups ____ Others ____		
Type of Assistance: Fast Track____ Fund____ Training____ Export Platform ____ Other____		
Elements of Assistance:		
Indirect Export ____ Increase Existing Exports to the Same Market ____		
New Product to Existing Market ____ Existing Product to New Market ____ New Product to New Market ____		
Enterprise Located in Earthquake Area: YES NO		
Associative Group: YES NO		
Code:		

San Salvador, on the days of the month of 200_____

 Name of Legal Representative
 Company Seal

 Signature of Legal Representative

ANNEX 5

FUND REQUEST (COMPREHENSIVE APPLICATION FOR PHASE I)

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 5

FUND REQUEST (Comprehensive Application for Phase I) EXPORT PROMOTION PROGRAM AID-EXPRO

Place & date: _____

I, _____, with DUI number _____
_____, in my position as a Legal Proxy of Enterprise
_____, with Tax Contribution Number _____,
REQUEST the Foundation for Promoting Competitiveness for Micro and Small Enterprise - CENTROMYPE,
through their Export Window, Co-financing for the Export Promotion Program –AID-EXPRO, for the amount of
up to US\$_____, equivalent to 80% of the maximum amount of expenses for **PHASE I** of Development and
Internationalization process of the Product _____,
which consists of carrying out the **Diagnosis and Business Plan**. At the same time, **I make the commitment** to
contribute with at least US\$_____, equivalent to 20% complementary to the total costs for phase I,
detailed next:

	STRUCTURE OF CO-FINANCING PHASE I	
	%	AMOUNT US\$
COFINANCING AID-EXPRO Phase I		
ENTREPRENEURIAL CONTRIBUTION Phase I		
TOTALS	100%	US\$

Additionally I make the commitment to present the required information for the indicator system of the program on the following dates, if it applies: January 5, April 5, July 5, October 5 all of 2004 and January 5, April 5 of 2005.

Name & Signature of Legal Proxy of the Enterprise

(Stamp)

=====

EXCLUSIVE USE OF EXPORT WINDOW

Date of Application Reception:	Code:
--------------------------------	-------

ANNEX 6

ENTERPRISE PROFILE

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 6

ENTERPRISE PROFILE EXPORT PROMOTION PROGRAM AID-EXPRO

I. GENERAL ENTERPRISE INFORMATION

1. General Data and Eligibility Requirements				
Name :			No. NIT:	
Name of Enterprise:			N.R.C.	
Owner:			No. DUI	
Legal Proxy:			No. DUI	
Type of Business:	Individually Owned	Family Owned	Partnership	Other (Explain) _____
Explain:				
Address Main Office and Physical Plant:				
Telephone:	Fax:	E-mail:		
Number of permanent employees including owner:				
Products for which there is an interest to increment or generate new exports:				
a. Exclusive for Associative Groups				
Number of businesses in the associative group:				
Does the group have common business plan to promote the sale of products of the associative group? Yes_____ No_____				
(If answer is yes, attach common business plan to this document)				
2. Selection Criteria				
a. Organization				
¿Do you have VAT registration?	Yes ____	No ____	Date_____	
¿Do you have Trade Registry?	Yes ____	No ____		
¿Do you manage some costing system?	Yes____	No_____	(If answer is yes, present brief description)	

¿Do you have enterprise procedures and policies manuals? Yes ____ No ____ (If answer is yes, indicate which)												
<ul style="list-style-type: none"> ▪ ▪ ▪ ▪ 												
¿Are you affiliate to some Association, Group, etc.? Yes ____ No ____ (If answer is yes, indicate which)												
<ul style="list-style-type: none"> ▪ ▪ ▪ ▪ 												
b. Products & Production												
<div style="display: flex; justify-content: space-between;"> Sales growth last three years (if applicable) Sales \$ 1999 _____ </div> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Year</th> <th style="text-align: left;">Sales Volume (\$)</th> <th style="text-align: left;">% Growth</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td></td> <td></td> </tr> <tr> <td>2001</td> <td></td> <td></td> </tr> <tr> <td>2002</td> <td></td> <td></td> </tr> </tbody> </table>	Year	Sales Volume (\$)	% Growth	2000			2001			2002		
Year	Sales Volume (\$)	% Growth										
2000												
2001												
2002												
¿Age of Equipment and Machinery? Over 10 years _____ Between 10 and five years _____ Less than five years _____ (Give brief description)												
¿Capacity to increase production at the short term? Yes ____ No ____ (If answer is yes, give brief description)												

c. Export Capacity		
¿Do you currently sell in the local market ? Yes_____ No_____		
Has exporting experience: Yes_____ No_____		
If answer is Yes, please complete the following information.		
Product and Years of Experience	Country (If indirect exporter, include name of enterprise to which you will sell, If country is Mexico include region, and if USA include state)	Annual export volume \$
1)		
2)		
3)		
4)		
¿Has a member of the business received training on Export Subjects?		
Yes_____ No_____		
Source and date of said training?		

6. Financial Capacity	
Do you have financial statements? Yes _____ No _____ Audited? Yes _____ No _____	
Describe main accounts of most recent balance. In \$ Date of Balance _____	
<u>Assets:</u> Available Accounts Payable Inventory Net Fixed Assets Total Assets	<u>Liabilities:</u> Current Liabilities Suppliers Short Term Loans Long Term Debt Total liability <u>Equity:</u> Total Assets and Liabilities
From debt balance due to credits in the balance: Balance of debt with SSF regulated institutions? _____ Debt balance with SSF non-regulated institutions? _____	
Describe main accounts from most recent State of Results in \$. Date of State of Results _____	
Sales Income Other Income Costs Gross Profits Expenses Net Profits	

San Salvador, on the _____ day of _____, 200_____

Enterprise Stamp

Name & Signature of Legal Proxy of Enterprise

=====

EXCLUSIVE USE OF EXPORT WINDOW	
Receiving Date	Associative Group: Yes____ No____
Name of Receiver:	Signature:
Enterprise's EXPRO code:	Is enterprise located in area of earthquakes: Yes____ No ____

ANNEX 7

EXPRO CODE SYSTEM

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 7

EXPRO Code System

The EXPRO Code System is made up by 5 numeric groups which identify the participating enterprises in the fund, in the following categories:

- 1) Location Department;
- 2) If considered as operating in definitive areas affected by the earthquakes;
- 3) If using the “Fast Track” mechanism;
- 4) Correlative number according to arrival
- 5) Associated Group

The departments will have the following identification numbers: Ahuachapan 01, Sonsonate 02, Santa Ana 03, La Libertad 04, San Salvador 05, Chalatenango 06, La Paz 07, Cuscatlan 08, San Vicente 09, Cabañas 10, Usulután 11, San Miguel 12, Morazán 13, La Unión 14.

Enterprises located in areas defined as affected by the earthquakes will be identified by the 1 and not by the 0.

Enterprises applying to the Fast Track mechanism will be identified by the 1 and not by the 0.

The following number will be given according to arrival of the enterprises applying to the fund. This number will start with 001.

Enterprises applying to the fund as an associative group will be identified by the 1 if they are part of an associative group and 0 those who are not.

Example: 02-1-0-001-1 (Is the first enterprise applying to the fund, located in Sonsonate, which is an area defined as earthquake affected, does not use fast track, and is member of an associative group).

ANNEX 8

SUMMARY ANALYSIS OF ENTERPRISE PROFILE, RECOMMENDATION AND RESOLUTION

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 8

SUMMARY ANALYSIS OF ENTERPRISE PROFILE, RECOMMENDATION AND RESOLUTION EXPRO-CENTROMYPE FUND

EXPORT PROMOTION PROGRAM AID-EXPRO

Name of Enterprise_____ Code_____

[illegible]

3)Product and Production

Product and production

	Qualifies_____	Does not qualify_____
1. The person who has been convicted of a crime involving dishonesty or breach of trust.		
2. The person who has been convicted of a crime involving moral turpitude.		
3. The person who has been convicted of a crime involving violence.		
4. The person who has been convicted of a crime involving sexual misconduct.		
5. The person who has been convicted of a crime involving drug offenses.		
6. The person who has been convicted of a crime involving alcohol offenses.		
7. The person who has been convicted of a crime involving public safety.		
8. The person who has been convicted of a crime involving national security.		
9. The person who has been convicted of a crime involving terrorism.		
10. The person who has been convicted of a crime involving espionage.		
11. The person who has been convicted of a crime involving cyber offenses.		
12. The person who has been convicted of a crime involving intellectual property.		
13. The person who has been convicted of a crime involving environmental offenses.		
14. The person who has been convicted of a crime involving labor law violations.		
15. The person who has been convicted of a crime involving consumer protection.		
16. The person who has been convicted of a crime involving financial crimes.		
17. The person who has been convicted of a crime involving insurance fraud.		
18. The person who has been convicted of a crime involving securities fraud.		
19. The person who has been convicted of a crime involving bank robbery.		
20. The person who has been convicted of a crime involving kidnapping.		
21. The person who has been convicted of a crime involving ransom.		
22. The person who has been convicted of a crime involving extortion.		
23. The person who has been convicted of a crime involving bribery.		
24. The person who has been convicted of a crime involving perjury.		
25. The person who has been convicted of a crime involving obstruction of justice.		
26. The person who has been convicted of a crime involving witness tampering.		
27. The person who has been convicted of a crime involving conspiracy.		
28. The person who has been convicted of a crime involving attempt.		
29. The person who has been convicted of a crime involving possession of a firearm.		
30. The person who has been convicted of a crime involving possession of explosives.		
31. The person who has been convicted of a crime involving possession of stolen goods.		
32. The person who has been convicted of a crime involving possession of counterfeit money.		
33. The person who has been convicted of a crime involving possession of counterfeit documents.		
34. The person who has been convicted of a crime involving possession of counterfeit goods.		
35. The person who has been convicted of a crime involving possession of counterfeit services.		
36. The person who has been convicted of a crime involving possession of counterfeit trademarks.		
37. The person who has been convicted of a crime involving possession of counterfeit patents.		
38. The person who has been convicted of a crime involving possession of counterfeit copyrights.		
39. The person who has been convicted of a crime involving possession of counterfeit domain names.		
40. The person who has been convicted of a crime involving possession of counterfeit social media accounts.		
41. The person who has been convicted of a crime involving possession of counterfeit email addresses.		
42. The person who has been convicted of a crime involving possession of counterfeit phone numbers.		
43. The person who has been convicted of a crime involving possession of counterfeit IP addresses.		
44. The person who has been convicted of a crime involving possession of counterfeit website URLs.		
45. The person who has been convicted of a crime involving possession of counterfeit search engine results.		
46. The person who has been convicted of a crime involving possession of counterfeit online reviews.		
47. The person who has been convicted of a crime involving possession of counterfeit social media posts.		
48. The person who has been convicted of a crime involving possession of counterfeit tweets.		
49. The person who has been convicted of a crime involving possession of counterfeit Instagram posts.		
50. The person who has been convicted of a crime involving possession of counterfeit Facebook posts.		
51. The person who has been convicted of a crime involving possession of counterfeit LinkedIn posts.		
52. The person who has been convicted of a crime involving possession of counterfeit X posts.		
53. The person who has been convicted of a crime involving possession of counterfeit YouTube videos.		
54. The person who has been convicted of a crime involving possession of counterfeit Twitch streams.		
55. The person who has been convicted of a crime involving possession of counterfeit Discord messages.		
56. The person who has been convicted of a crime involving possession of counterfeit Slack messages.		
57. The person who has been convicted of a crime involving possession of counterfeit Zoom meetings.		
58. The person who has been convicted of a crime involving possession of counterfeit Google Meet sessions.		
59. The person who has been convicted of a crime involving possession of counterfeit Microsoft Teams calls.		
60. The person who has been convicted of a crime involving possession of counterfeit WhatsApp chats.		
61. The person who has been convicted of a crime involving possession of counterfeit Telegram chats.		
62. The person who has been convicted of a crime involving possession of counterfeit Signal chats.		
63. The person who has been convicted of a crime involving possession of counterfeit iMessage conversations.		
64. The person who has been convicted of a crime involving possession of counterfeit SMS texts.		
65. The person who has been convicted of a crime involving possession of counterfeit MMS messages.		
66. The person who has been convicted of a crime involving possession of counterfeit push notifications.		
67. The person who has been convicted of a crime involving possession of counterfeit app updates.		
68. The person who has been convicted of a crime involving possession of counterfeit software licenses.		
69. The person who has been convicted of a crime involving possession of counterfeit digital certificates.		
70. The person who has been convicted of a crime involving possession of counterfeit SSL certificates.		
71. The person who has been convicted of a crime involving possession of counterfeit API keys.		
72. The person who has been convicted of a crime involving possession of counterfeit OAuth tokens.		
73. The person who has been convicted of a crime involving possession of counterfeit JWT tokens.		
74. The person who has been convicted of a crime involving possession of counterfeit cookies.		
75. The person who has been convicted of a crime involving possession of counterfeit session IDs.		
76. The person who has been convicted of a crime involving possession of counterfeit CSRF tokens.		
77. The person who has been convicted of a crime involving possession of counterfeit anti-forgery tokens.		
78. The person who has been convicted of a crime involving possession of counterfeit security headers.		
79. The person who has been convicted of a crime involving possession of counterfeit Content Security Policies.		
80. The person who has been convicted of a crime involving possession of counterfeit CORS policies.		
81. The person who has been convicted of a crime involving possession of counterfeit HTTP methods.		
82. The person who has been convicted of a crime involving possession of counterfeit status codes.		
83. The person who has been convicted of a crime involving possession of counterfeit error messages.		
84. The person who has been convicted of a crime involving possession of counterfeit log files.		
85. The person who has been convicted of a crime involving possession of counterfeit system logs.		
86. The person who has been convicted of a crime involving possession of counterfeit application logs.		
87. The person who has been convicted of a crime involving possession of counterfeit database logs.		
88. The person who has been convicted of a crime involving possession of counterfeit network logs.		
89. The person who has been convicted of a crime involving possession of counterfeit firewall logs.		
90. The person who has been convicted of a crime involving possession of counterfeit intrusion detection logs.		
91. The person who has been convicted of a crime involving possession of counterfeit security audit logs.		
92. The person who has been convicted of a crime involving possession of counterfeit vulnerability scan logs.		
93. The person who has been convicted of a crime involving possession of counterfeit penetration test logs.		
94. The person who has been convicted of a crime involving possession of counterfeit incident response logs.		
95. The person who has been convicted of a crime involving possession of counterfeit disaster recovery logs.		
96. The person who has been convicted of a crime involving possession of counterfeit backup logs.		
97. The person who has been convicted of a crime involving possession of counterfeit restore logs.		
98. The person who has been convicted of a crime involving possession of counterfeit configuration logs.		
99. The person who has been convicted of a crime involving possession of counterfeit deployment logs.		
100. The person who has been convicted of a crime involving possession of counterfeit release logs.		

Analysis Description and Proposed Rating:

4) Export Capacity

Export Capacity

Qualifies_____	Does not qualify_____
----------------	-----------------------

Description Analysis and Proposed Rating:

5) Financial Capacity	
Financial Capacity	Qualifies _____ Does not qualify _____
Description Analysis and Proposed Rating:	

Recommendation from Evaluator Qualifies _____ Does not Qualify _____ and brief Description of Recommendation:

Evaluator's Name :	Signature:
Date:	

Approved _____ Not Approved _____ Needs more Information _____ Additional Information Detail:	
CENTROMYPE Internal Committee	Signature:
Date:	

CENTROMYPE's Seal

ANNEX 9

FORMAT EXAMPLE OF TERMS OF REFERENCE

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 9

Format Example of Terms of Reference

TERMS OF REFERENCE

Background

The International Goodwill enterprise has been selected by the assessment committee of CENTROMYPE to receive benefits of Phases II and III of the Export Promotion Fund. Also its export plan for its Organic Coffee product has been approved.

One of the elements contemplated in the said plan is the execution of a technical assistance to improve packaging design, as one of the key elements to achieve that the product be exported to the United States.

Objectives

The objectives of the proposed technical assistance in this document are:

- Present a new package design for the Organic Coffee “Santa Catarina” 1 pound presentation for the enterprise International Goodwill.

Methodology

The consulting enterprise must:

- Collect information: Through interviews with the Manager and Partners of the enterprise to discuss aspects related to the package design and collect their opinions as well as read the document “Diagnosis and Business Plan” of the enterprise;
- Develop a proposal for a new package design;
- Present said proposal for discussion with the manager and Enterprise Partners;
- Execute changes to the design according to what has been agreed in the presentation, and presentation of the final design.

Deliverables

The consultant must present the following concrete products during the execution of the consultancy through which percentages will be received for payment of the total cost payment mentioned above:

- Initial proposal of new design 40%;

- Presentation of final proposal with the acceptance of the International Goodwill representative 60%;

Execution Period

The execution period of consultancy must be three weeks. Its execution must start not later than October 30.

Qualifications

The consultant to perform said technical assistance must have the following qualifications:

- Title in Graphic Design or related career;
- Minimum of two years of work experience in this area;
- Has worked in product packaging, product being exported at that time.

ANNEX 10

DIAGNOSIS & BUSINESS PLAN CONTENT

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 10

Diagnosis & Business Plan Content

DIAGNOSIS

I. Executive Summary

II. Background

- A. Brief Description of the Project and Objectives of the Document;**
- B. Brief Historic Description of the Enterprise;**

III. Description and Analysis of Functional Areas Related with Exports and Mission and Strategies of the Business

A. Mission, Vision and Strategy

- Briefly describe the mission, vision and strategies of the business;

B. Product & Commercialization: Determine present capacity and potential of the enterprise to commercialize an exportable product.

- Description of product-services/lines (packing, brand, presentation, etc) and their markets (national and foreign, sales level);
- Description and analysis of competitive positioning in the market of the product or service in the market (market segments goals, differentiation of product or service, main competitors, substitute products or services, etc. in the product or service);
- Description and analysis of distribution channels and goal for products/lines, services;
- Description and analysis of promotion and advertising strategy;

C. Financial Area: Determine financial sustainability of the enterprise and its present capacity and potential to sustainably finance an export effort including:

- Financial indicators analysis for three years: liquidity, solvency, indebtedness, profitability (ROE, ROA), assets rotation;
- Credit history of enterprise with formal and informal financial institutions;
- History and capitalization description of enterprise by partners-owners.

(Annex or include financial statements of last three years, if available)

D. Administrative Organization and Systems: Determine present capacity and enterprise potential to manage export capacity, including:

- Description and analysis of flow gram and organizational structure;
- Description of the level of legal formality of the business;
- Description and analysis of capacities and skills levels of personnel;
- Description and analysis of enterprise policies and procedures;
- Description and analysis of accounting system including costs analysis;
- Description and analysis of managerial information system for making decisions

E. Production: Determine present and potential capacity of the enterprise to produce and innovate an exportable product or service including:

- Description and analysis of production process per line of product;
- Description and analysis of facilities or productive areas per line of product (machinery and equipment, installed capacity and usage %);
- Description and analysis of quality control and environmental impact controls carried out by the enterprise during the production process;

IV SWOT Analysis of Enterprise Before Exporting Activity

- This activity includes the cross among the four elements of the SWOT analysis diagram;
- Based on these crosses, determine the main actions to execute to strengthen export activities of the enterprise.

V Conclusions

Conclusions must include an appreciation based in an analysis carried out on:

- The product or service potential and the enterprise to start or increase exporting activities and possible markets;
- Actions to be taken related to the enterprise to strengthen and make effective the potential of starting or initiating or increasing exports.

BUSINESS PLAN

I. Target Market(s)

- Economic, demographic and market information related to the product(s) proposed that back up or sustain the selection of the same.

II. Determine requirements for commercialization or entering in target market

- Labeling, necessary certificates, materials or labeling restrictions, brands and patents, normalization, sanitary registries, import tariff code, packing and others (Indicate Information Source);

III. Target Market Penetration Strategy

The strategy must contain the following elements related among them to produce a consistent strategy.

- Distribution channel;
- Price strategy;
- Market adaptation of product (Changes or adaptations to be done to product to become exportable in target market);
- Promotion strategy;

IV Financial Analysis

- Determination of export price (Based on expected cost and margin of profit according to provided methodology);
- Projection of cash flows of total project (based on provided methodology);
- Determine a point of equilibrium, IRR and NPV of the project.
- Operative plan determining activities to be financed by the fund.

V. Action Plan

The consultant must list key activities to be carried out to execute the Action Plan proposed adequately. This presentation must be done based on format provided, which includes a cost estimate and execution term for each activity. This format is divided in two main areas: business strengthening aspects and export product or service related aspects.

ANNEX 11

QUALIFICATION CRITERIA FOR CONSULTANTS WHO DEVELOP “DIAGNOSTIC AND BUSINESS PLAN” OF ENTERPRISES IN PHASE I

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 11

Qualification Criteria for Consultants who Develop “Diagnostic and Business Plan” of Enterprises in Phase I

- 1) Higher Academic Level Degree (At least Bachelors Degree or Engineering);
- 2) Experience working directly with SME's directly or as service provider at least two years;
- 3) Experience as Consultant at least two years;
- 4) Education or training in foreign trade;
- 5) Experience working with SME's on foreign trade.

ANNEX 12

ACCEPTANCE LETTER OF CONSULTANT FROM BENEFICIARY ENTERPRISE

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 12

**ACCEPTANCE LETTER OF CONSULTANT FROM BENEFICIARY
ENTERPRISE**

EXPRO-CENTROMYPE FUND

_____, Legal Proxy of Enterprise

_____, with NIT No. _____,

Beneficiary of the AID-EXPRO Program, by these means I certify:

Of the group of consultants, _____,

_____, _____.

That we agree to the hiring of _____

With DUI # _____, for the execution of

“Diagnosis and Business Plan” of our enterprise, according to terms of reference

established for this activity.

San Salvador, on the _____ day of _____ 200_____.

Legal Proxy of Enterprise

Enterprise Stamp.

ANNEX 13

CONFIDENTIALITY LETTER

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 13

CONFIDENTIALITY LETTER

EXPORT PROMOTION PROGRAM AID-EXPRO

I, (name of consultant), (profession or work), with abode in (name of domicile), with Single Identity Document number (DUI's number), accept to serve as Consultant for CENTROMYPE, by means of a contract I sign herewith. I recognize that through this work I will have access to knowledge, procedures, secrets, patents, strategies, programs, products and other confidential information, which may be property of CENTROMYPE or (name of enterprise),

Beneficiary enterprise of the Project for which I will provide my services, and that the publication of said information may cause damage or prejudice "CENTROMYPE" or the beneficiary enterprise, thus I declare under oath that I promise to keep **STRICT CONFIDENTIALITY** of said information, acquired in printing, through electromagnetic means or verbally, or through any other mean, and what I have said is enunciatively and not restrictive, and use it strictly to comply with obligations and functions acquired through the contract which as consultant I sign today with CENTROMYPE. Also, I promise that, regardless of the confidential information may be seen by any other professional supporting the consultancy work, surveillance to give it confidential treatment not to use it for personal benefit nor for the benefit of his bosses, partners, employees, representatives or customers, and **NOT TO DIVULGE** information obtained, by any means, without the express authorization of CENTROMYPE. In case of an anticipated termination or not of my services for CENTROMYPE, I promise to return to CENTROMYPE all information obtained as a product of my work as a consultant, and I will abstain to use it or divulge it in the future. Finally, I accept from this time on, that in case of not having my confidentiality declaration and contract signed this time, to indemnize CENTROMYPE for any damage or prejudice followed as a result of my fault to the strict compliance of this present declaration and the consultancy contract or advisor undersigned with CENTROMYPE, and to maintain CENTROMYPE peaceful and safe from any complaint that may appear against it as a result of or related to any violation to the above, whichever nature, reason why I become accountable of all costs and expenses caused as a result, including attorney's fees and any other legal expense of any nature.

San Salvador, on the (number of the day) of the month of (*****) of the year two thousand and (***)

(Consultant signature)

Name

ANNEX 14

ACCEPTANCE LETTER WITH CONSULTANT'S WORK FOR PHASE I

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 14

ACCEPTANCE LETTER WITH CONSULTANT'S WORK FOR PHASE I

EXPRO-CENTROMYPE FUND

I _____, Legal Proxy of Enterprise _____

_____, with NIT No. _____,

Beneficiary of the AID-EXPRO Program, by these means I certify:

My satisfaction with the "Diagnosis and Business

Plan" executed by the consultant/ consulting firm _____

with DUI # _____,

Moreover, (Name of beneficiary business), authorizes CENTROMYPE to initiate

the process of requesting payment of the corresponding payment to the

consultant/consulting firm, in agreement with the terms contracted.

San Salvador, on the _____ day of _____ 200_____.

Legal Proxy of Enterprise

Enterprise Stamp.

ANNEX 15

CONSULTANT WORK EVALUATION FOR DEVELOPMENT OF “DIAGNOSIS AND BUSINESS PLAN” PHASE I

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 15

CONSULTANT WORK EVALUATION FOR DEVELOPMENT OF “DIAGNOSIS AND BUSINESS PLAN”

PHASE I

EXPRO-CENTROMYPE FUND

Name of Enterprise_____ Code_____

Name of Consultant who executed "Diagnosis and Business Plan" _____

Export Window Recommendation	

Name of CENTROMYPE Officer :	Signature:
Date:	
Approved _____ Not Approved_____ Needs more information_____	
Additional Information Detail:	
CENTROMYPE'S Internal Committee	Signature:
Date:	

CENTROMYPES SEAL

ANNEX 16

APPROVAL COMMITTEE FOR PHASES II AND III **REGULATION**

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 16

Approval Committee for Phases II and III Regulation

Committee Objective

The committee will assess the “Diagnosis and Business Plan” done for beneficiary enterprises of Phase I of the program, in order to determine whether the enterprise has the potential to concretize export businesses with their products and services during the life of the project to the market(s) selected according to the business plan presented.

If it is determined that the enterprise has potential, the committee will identify activities proposed by the consultant that will be co-financed during phases II and III of the project with the enterprise.

Committee Members and Participants

The committee will have the following members with vote:

- CENTROMYPE’s designee will preside the committee;
- EXPRO’s Director or his designee;
- An invitee with recognized trajectory in the SME sector

The invitee participating in each committee in particular will be selected in rotation of a list of 10 Pre-selected invitees to participate in the committee. The Pre-selected invitees will be proposed by CENTROMYPE and ratified by EXPRO.

Additionally, the CENTROMYPEs Export Window officer who supervised the process of the evaluated enterprise will participate as committee advisor without a vote. The committee window representative will act as secretary of the same.

On the other hand the consultant who developed the “Diagnosis and Business Plan” of the enterprise in particular being evaluated will participate in the committee sessions making a presentation of his work, as well as answering to questions of the committee members.

Scheduling

Normally the committee will meet once per week as long as there is still a case. The committee will meet on Tuesday, 5:00 to 8:00 PM at EXPRO or at CENTROMYPE offices.

The maximum number of cases in each committee will be three, in order to carry out a sufficient detailed assessment of each of them. If there are a high number of cases

programmed for the committee, extraordinary session will be programmed as needed to process the cases programmed for the week.

Procedure

Committee's procedure is detailed next:

- The committee will meet officially if the three voting members are present, as well as the representative of the Export Window and the development consultant of the enterprises "Diagnosis and Business Plan";
- Voting members of the committee will have prior knowledge of the case to be assessed, after having received a copy of the "Diagnosis and Business Plan" three days prior, as well as a summary of the same prepared by the export window;
- The consultant will prepare a brief presentation summarizing the most important elements observed in the enterprise and their conclusions. Will also present the proposed business plan to export products or services of the enterprise. This presentation must not be longer than 15 minutes, and must be in "Power Point";
- The committee members will make questions to the consultant to clarify or detail more aspects of the presentations. Once questions have been answered, consultant will leave the committee session;
- Immediately afterwards the committee members, including the representative of the Export Window will proceed to propose and discuss resolution alternatives. This discussion must not be longer than 30minutes, considering the number of cases to be assessed during this session in particular.
- Alternative to be discussed will be related to the determination whether the enterprise is supported or not based on its potential to concretize export businesses with their products and services during the life of the project, to selected markets;
- Additionally, it will be proposed and discussed which of the activities proposed by the consultant will be co-financed during phases II and III of the project with the enterprise;
- At the end of the discussion period, committee members will vote and the alternative with the simple majority votes will be agreed by the committee;
- In case the committee determines that they do not have enough information to make a decision, the same will be able to request from consultant, through the Export Window, the required information. This information must be consistent with the scope established in the terms of reference for the "Diagnosis and Business Plan". When presenting the requested information to the Export Window, the case will be programmed for a new committee session. This new presentation may require the presence of the consultant to clarify or detail the elements to be discussed;
- A minutes will be drafted to be signed by the voting members, and will be delivered to EXPRO representative for is ratifying.
- The committee will try to adequate itself for a maximum term of one hour per case, and thus may reasonably tend to cases programmed for this session.

ANNEX 17

FUND REQUEST (COMPREHENSIVE APPLICATION FOR PHASE II)

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 17

FUND REQUEST (Comprehensive Application for Phase II) EXPORT PROMOTION PROGRAM AID-EXPRO

Place & date: _____

I, _____, with DUI number _____
_____, in my position as a Legal Proxy of Enterprise
_____, with Tax Contribution Number _____,
REQUEST the Foundation for Promoting Competitiveness for Micro and Small Enterprise - CENTROMYPE,
through their Export Window, Co-financing for the Export Promotion Program –AID-EXPRO, for the amount of
up to US\$_____, equivalent to 80% of the maximum amount of expenses for **PHASE II** of Development and
Internationalization process of the Product _____,
which consists of carrying out the **technical assistances and services detailed in the “Diagnosis and Business
Plan” and approved by the Evaluation Committee for Phases II and III** . At the same time, **I make the
commitment** to contribute with at least US\$_____, equivalent to 20% complementary to the total costs
for phase II, detailed next:

	STRUCTURE OF CO-FINANCING PHASE II	
	%	AMOUNT US\$
COFINANCING AID-EXPRO Phase II		
ENTREPRENEURIAL CONTRIBUTION Phase II		
TOTALS	100%	US\$

Additionally I make the commitment to present the required information for the indicator system of the program on the following dates, if it applies: January 5, April 5, July 5, October 5 all of 2004 and January 5, April 5 of 2005.

Name & Signature of Legal Proxy of the Enterprise
(Stamp)

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EXCLUSIVE USE OF EXPORT WINDOW

Date of Application Reception:	Code:
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ANNEX 18

FUND REQUEST (COMPREHENSIVE APPLICATION FOR PHASE III)

EXPORT PROMOTION FUND

EXPRO-CENTROMYPE

EL SALVADOR

Annex 18

FUND REQUEST (Comprehensive Application for Phase III) EXPORT PROMOTION PROGRAM AID-EXPRO

Place & date: _____

I, _____, with DUI number _____
_____, in my position as a Legal Proxy of Enterprise
_____, with Tax Contribution Number _____,
REQUEST the Foundation for Promoting Competitiveness for Micro and Small Enterprise - CENTROMYPE,
through their Export Window, Co-financing for the Export Promotion Program –AID-EXPRO, for the amount of
up to US\$_____, equivalent to 80% of the maximum amount of expenses for **PHASE III** of Development
and Internationalization process of the Product _____,
which consists of carrying out the **technical assistances and services detailed in the “Diagnosis and Business
Plan” and approved by the Evaluation Committee for Phases II and III** . At the same time, **I make the
commitment** to contribute with at least US\$_____, equivalent to 20% complementary to the total costs
for phase II, detailed next:

	STRUCTURE OF CO-FINANCING PHASE III	
	%	AMOUNT US\$
COFINANCING AID-EXPRO Phase III		
ENTREPRENEURIAL CONTRIBUTION Phase III		
TOTALS	100%	US\$

Additionally I make the commitment to present the required information for the indicator system of the program on the following dates, if it applies: January 5, April 5, July 5, October 5 all of 2004 and January 5, April 5 of 2005.

Name & Signature of Legal Proxy of the Enterprise
(Stamp)

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EXCLUSIVE USE OF EXPORT WINDOW

Date of Application Reception:	Code:
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